

VALUE CAPTURE AND JOINT DEVELOPMENT: POTENTIAL FOR CTA PROPERTIES



Northeastern Illinois Planning Commission

TRANSPORTATION DEPARTMENT

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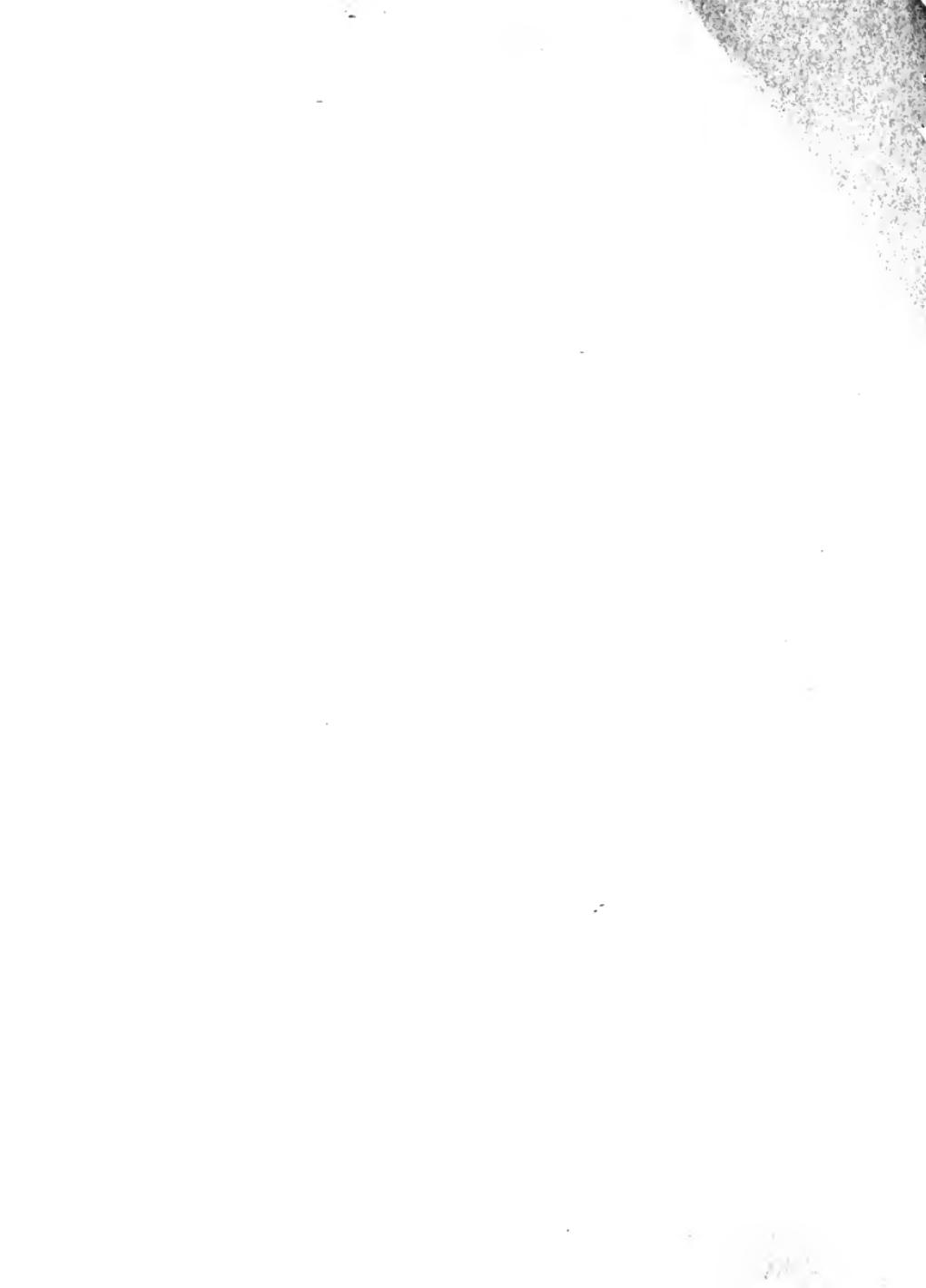
NORTEASTERN ILLINOIS PLANNING COMMISSION

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EXECUTIVE SUMMARY

VALUE CAPTURE AND JOINT DEVELOPMENT: POTENTIAL FOR CTA PROPERTIES

Purpose - Eight CTA properties (seven stations and one bus garage) were examined to explore opportunities for public-private joint development in order to generate non-farebox revenues. A summary of the recommendations resulting from the eight case studies follows. These ideas are preliminary and need further market, architectural and cost studies to determine their feasibility. Also presented below are general recommendations regarding the necessary prerequisites for the CTA to successfully implement joint development projects.

Howard Station on the North-South Line - Two alternatives are presented which redesign the configuration of the adjacent bus terminal and private retail facilities. The first removes the present retail development and builds a new, single-story facility combining retail shops with a bus terminal. The bus passengers would walk through a passageway, with the shops on either side, as they transfer to rapid transit. The second alternative would close the present station entrance completely, allowing rental space beneath the platforms to expand into the fare-control area from the Howard side. Much of the privately-owned corner could be left to open space, with a small park-like atmosphere, including bushes and benches, leading to the new entrance of the joint terminal building. The ground-floor bus terminal would lead to direct escalator access to a second floor above, which would contain retail and service shops. This arrangement would route passengers directly past the stores. From the second floor, turnstiles would provide access to the rapid transit platforms via a pedestrian walkway above the tracks. Access might also be provided to the retail area to Skokie and Evanston riders who change trains here.

Wilson Station on the North-South Line - The primary opportunity at this location lies with the projected closing of the CTA's maintenance shop just south the station. If this parcel of land could be combined with some frontage property on Broadway to allow for a visible entrance, an opportunity would then exist for a large, multi-story office or residential mixed-use development with retail uses on the first floor. The present parking lot leased by the CTA to Truman College should remain and be enlarged to accommodate the new development. A second entrance to the development could be provided by acquiring a private parcel on the southwest corner on Montrose Avenue. If successful, this would be a significant value capture opportunity for the CTA.

Belmont Station at the Junction of the North-South and Ravenswood Lines - Two scales of value capture are presented. Small-scale value capture is suggested through utilization of presently wasted space beneath the elevated structure. Currently,

uncontrolled parking is in practice. The area should be fenced and striped, leasing the spaces to nearby residences or businesses. A major value capture opportunity would exist by relocating the station into a building adjacent to the elevated structure. Joint development with present owners would provide convenient retail facilities for transit riders and a more captive market for the shops. Revenues from the store leases would be shared. Transit passengers would access the platforms through overhead walkways. The CTA could augment this plan by developing retail space on the present station site beneath the tracks. A higher-cost suggestion would redevelop adjacent buildings on both sides of the tracks, and offer connecting air-rights space between them.

Limits Bus Garage on Clark Street south of Diversey Avenue -
The CTA is considering relocating this garage in the near future. There is a strong opportunity for the CTA to obtain a high value capture return through redevelopment of the 150,000 square foot site. Some controversy exists regarding the site, with members of the community opposed to further high-rise development. The recommendation is for a maximum five-story development, which should effectively balance community objections with CTA desires for substantial revenue return. A residential complex is the most practical alternative, with some retail uses on the Clark Street frontage. The market appears strongest for residential use. The complex would ring the perimeter of the site, and contain a central park-like courtyard.

Cumberland Station on the CTA O'Hare Extension - Development of a large retail center on a second floor above the bus terminal is suggested. Riders would be routed through this facility between the station and the walkway to the neighboring office buildings. This is a major captive market, which will grow as ridership increases at the station. Pedestrian walkways should also be constructed to access the more distant buildings and attract users to the system. Future development should include increased parking, and might also include an office tower atop the garage if warranted by the market.

Damen Station at North Avenue on the O'Hare Line - Value capture opportunities center on station entrances and parking development. The area behind the station and beneath the elevated structure could be developed into a small rider-oriented retail use. The adjacent building to the south could be redeveloped into a new station entrance, incorporating an existing neighborhood restaurant as a coffee shop. An unsound, vacant building adjacent to the station, which is owned by the CTA, could be demolished and rebuilt as a second entrance to the station and provide a retail area. Property beneath the elevated structure should be fenced and striped for parking, leasing the spaces to adjacent businesses for customer parking.

Harlem Station at the Terminus of the Lake Street Line - A small-scale opportunity would include a second platform on the south side of the embankment with commercial redevelopment along South Boulevard. Larger opportunities are present to reorient ridership to the north side of the rail embankment and the Oak Park Mall area. Two sites, the Westgate parking lot and the Wieboldt's store and parking lot, are identified as real estate parcels for redevelopment. They offer the chance to provide substantial rider parking, interchange with PACE bus routes, and residential opportunities in a multi-story building. Access over the C&NW tracks would be provided through pedestrian walkways. This location provides the CTA with opportunities to share development revenues with the adjacent villages or private developers.

New Dorchester Station at the Terminus of the Jackson Park Line - The primary opportunity at the new Dorchester station lies in development of rider-oriented retail facilities in conjunction with station entrances. The CTA would work with the City of Chicago to provide retail services above the kiss-and-ride site west of the rail embankment and the bus terminal on the east side. An overhead pedestrian walkway is suggested to bring the riders from bus to rapid transit, and interchange with Metra service at the underutilized 63rd Street ICG Station. Off-site opportunities could also be investigated, including residential and office development if the community rebounds and the market warrants it.

Prerequisites for CTA Joint Development Opportunities - Realistic potentials exist for the CTA to make its facilities more attractive to riders, obtain private contributions to improvements to station facilities, and increase non-transit revenue through cooperative agreements. The following are guidelines the CTA should understand and pursue if they are to successfully implement joint development projects.

- o CTA real estate should be viewed as an asset that, through joint development opportunities, can increase the Authority's non-farebox revenues. This should become an element of a CTA strategic plan.
- o The Authority should have a clear, structured joint development process. There must be close coordination among many CTA departments, but only one single mechanism to oversee joint development planning. Solid and workable proposals must be developed and evaluated for engineering, economic and financial feasibility. Specific policies and procedures should be in place, defining the respective roles of the public and private sectors.
- o Potential developers must be convinced of a return on their investment. The CTA should develop an attractive and complete project-design package, which would induce the private sector to invest in joint development.

- o The City of Chicago (or other host municipality) should be an important part of joint development planning.
- o Possible constraints of the Regional Transportation Authority (RTA) or the Urban Mass Transportation Administration (UMTA) must be fully understood.
- o Joint development can be a positive public relations mechanism. The CTA can promote itself as a forward thinking, dynamic agency that is working to make its facilities and nearby neighborhoods more attractive while increasing revenues at no cost to riders.

INTRODUCTION

This research study investigates the potential of value capture as a method of increasing revenues for the Chicago Transit Authority (CTA). Value capture is defined to mean increasing revenue for the CTA by more aggressive marketing or management of real estate owned and leased. Specific attention is paid to joint development, the concept of the public and private sectors conducting coordinated facilities planning or real estate development.

Eight development case studies are presented for station area and bus garage sites. The case studies examine in detail the present circumstances and the realistic potential for joint development at these sites. The results are intended as models for future application. It is hoped that the case studies will provide direction for the CTA as sources of revenue other than the farebox become important. This research complements the ongoing CTA study of joint development policies and procedures.

Following the case studies, a short analysis is provided discussing CTA strategies for entry into joint development planning. Suggestions are made regarding approach and necessary ingredients for successful implementation of a new CTA initiative. It is offered as a guide to value capture policy.

VALUE CAPTURE AND JOINT DEVELOPMENT

Transit agencies in the U.S. have been talking about "value capture" and "joint development" for more than ten years. Though frequently used interchangeably, the terms value capture and joint development are not synonymous. Value capture concerns maximum revenue production from existing real estate holdings. With value capture, the transit agency acts to promote projects on its own land. Judicious use of existing property through leasing or other development arrangements can capture more of the value of the real estate. The CTA has been active in value capture for many years, by leasing space in stations to retailers.

Joint development is the coordination of private development, usually commercial or residential, with public transit facilities or properties. This involves mutual planning, with the goal of financial and other benefits for both parties. In theory, joint action provides the developer with improved public transportation access to the developments and in return provides the transit agency with a steady source of riders. In practice, joint development is a broad term that can be applied to many different scales of development and types of financing arrangements.

Neither value capture nor joint development can generally be considered as important farebox strategies. Studies elsewhere have shown that the increase in transit farebox revenues due to nearby real estate projects is not usually significant. This is particularly likely to be the case when joint development consists of rehabilitation projects, rather than new construction. Even with major rehabilitation projects, the land-use patterns, hence ridership, are fixed within some relatively narrow margins. In the past few years, however, joint development has become more popular. Acute funding problems have led transit agencies to search for new methods of cost sharing and revenue generation. Joint development has the potential to be a major revenue generator for the CTA.

Development projects can have a significant impact on ridership and public image for the Authority. But the most important factor is increased revenue, whether through ridership increases or, more likely, through new leasing and development arrangements. In any case, value capture and joint development enable more efficient use of available transit funds. The newly-generated revenue may be used for increased capital improvements or even for unfunded operations. The joint development methodology provides the avenue for cost recovery and value capture.

Joint development of real estate is one means of joint development. In its simplest form, a project might consist of nothing more than a pedestrian access link between a station and a commercial building. In theory, the link generates users of both facilities. For example, a transit agency might give permission for a direct physical connection to an office building if the private developer pays for the construction. The office workers,

in turn, would utilize transit more frequently. The emphasis is on convenience, with the availability of direct access for tenants providing a location inducement for developers.

On a large scale, joint development might involve multi-structure construction for office or residential complexes on land assembled and cleared for the purpose. This usually occurs in conjunction with completely new systems, with the adjoining land purchased as part of the right-of-way assembly process. In this manner, the transit agency can control and manage the development of the area surrounding the transit station.

Other means of joint development include special district zoning and use of commercial districts around CTA property. These techniques, used in conjunction with the City of Chicago, can give the CTA more leverage in dealing with adjacent property owners or developers. Perhaps the best form of ridership-inducing joint development is retailing, for which convenient, easy access is critical to a successful business. The CTA already has such arrangements, by providing space for retail use within station areas. The small shops within the station provide necessary and convenient services.

Additional revenue is possible from the leasing of property, contiguous to a station, which is already owned by the transit agency. Station platforms, stairways, fare areas and entryways may be revitalized at the same time as plans are drawn up for adjacent development. Whether the development consists of retail shop space within or adjacent to the station, or long term leasing of parcels for new building construction, arrangements can be made so the developer contributes much or even all of the cost of station rehabilitation.

Joint development need not be complex. As the name implies, it requires joint planning and mutually beneficial accessibility. Private developers will invest where they see it is in their interest. Cooperation of other city agencies is essential. Of particular concern for developers is land assembly or availability, adequacy of infrastructure and zoning regulations, and financing. Any actions which can be taken by the CTA to assist in any of these areas would be valuable to a developer, and therefore the basis for some type of joint development.

In general, the public transit agency should take the lead in identifying their best sites and proposing design possibilities to the private sector. Available development plans or guidelines often ease the procedure for developers. A coordinating department or even a single negotiator within the agency will provide the contact developers need to address the complexities involved.

Just as the transit systems influenced early urban morphology, joint development planning can shape future patterns of transit-oriented urban form. Transit operations planning will benefit from the re-orientation of existing ridership, while future capital expansion can be coordinated with expected ridership generation. In fact, with minimal spending of public capital, the public transit agency can also benefit from image enhancement. The entire community can share in the aesthetic and economic improvements made through joint development.

CASE STUDIES

In a study of CTA joint development possibilities, it is important to consider a wide variety of properties under CTA ownership or use. Most of CTA's land is used for right-of-way, rapid transit stations, and bus or rail car storage and maintenance facilities. Much of the real property is the result of historical inheritance, and some parcels are not used directly in the present-day transit operations. These latter parcels in particular could be candidates for new development. But whatever their present use, the Authority should examine whether further revenue potential exists for all of its real estate.

In general, CTA real estate consists of long, narrow strips which by themselves might not be suitable for much significant development. There are exceptions, of course, where the CTA owns large normally-shaped parcels. But the greatest benefits from joint development will come from the CTA undertaking projects together with owners of adjacent property.

Some 25 sites were given preliminary consideration, including subway, elevated and expressway rapid transit stations, and bus garages and turnarounds. Representation throughout the system, and in various parts of the city, was desired. A preliminary land-use survey was made of each situation. The decision criteria were based on a somewhat subjective assessment of the development potential of the various sites, including locational circumstances and present ridership levels. Following are descriptions of the sites selected for analysis in this study.

Bus System Sites

The CTA operates 133 bus routes, utilizing nine bus garages and 116 turnarounds. All of the garages and many of the turnarounds are owned by the Authority. The garage and storage yard sites range in size from about 100,000 square feet to more than 2 million square feet. Depending on location, they may have significant value as parcels of property. Increased value may lie in their reuse for alternative purposes. Reuse might also offer some potential for ridership generation on the bus routes passing nearby, depending upon the type of development.

On the bus system, the initial selection of bus barns was made on the basis of projected closings and disuse. New efficiencies in operation occasionally dictate garage closings for relocation or consolidation. One site has been chosen for study to represent revenue potentials from bus-related sites. Development studies there could then be applied to other locations, including turnarounds on a lesser scale.

The Limits Garage, at Clark and Schubert (near Diversey), is located in a heavily populated and currently strong market area. Reuse of this site may offer income-sharing rewards. Other garage sites, such as Beverly Garage at 103rd and Vincennes, are not in such strong markets, and consequently have lower market potential. All potential sites, of course, must be evaluated on the basis of their own local market conditions. Turnaround sites, though viable, offer only smaller-scale possibilities. The Limits site was chosen as the site with the most immediate potential for development.

Rapid Transit System Sites

The rapid transit system of the CTA consists of 95 route miles, 12 storage yards, and 142 stations. Over 41 miles of the right-of-way and the stations upon it are owned in fee simple. The rest of the right-of-way is either leased or operated through easement rights. The Authority leases some of the property beneath portions of the elevated structure which it owns. Space is also leased inside most stations, in a variety of rental arrangements. All of the yards are owned, but their use is confined to operations. One is slated for possible closure, upon expansion of facilities at other sites.

Simply by virtue of their number, the rapid transit stations have potential for a wider variety of revenue-producing development. The choice of stations with joint development opportunities depends upon property ownership and station location. Ownership implies control, while location and surrounding land use dictate the alternative possibilities. The sites selected for this study reflect the variety of locational circumstances and consequent development scenarios available to the CTA.

One station was selected in an expressway alignment. Though generally well-patronized, these stations present a challenge to joint development, with any land available for development not being contiguous to the station area. Pedestrian walkways lead to the street or across the lanes of the highway before reaching any sort of development. The station at Cumberland on the route to O'Hare airport was chosen, to examine the possibilities of building vertically rather than horizontally from the station configuration. Jefferson Park was also considered as an expressway example, but Cumberland has a large office development area surrounding the station, offering a special type of circumstance on the newest section of the system.

Subway stations were not selected, though two were considered. The station at North and Clybourn would need to be studied in conjunction with the proposed curve realignment on the elevated structure nearby. Though there is much vacant land surrounding the station, this was considered a special-problem case. Another unique situation occurs at Chicago and State which, though heavily used, offers problems with underground construction that may not be transferable. In addition, the CTA owns no property on the surface

adjacent to the station. This is typical of the relatively few subway stations on the system. They are not generally considered viable for immediate joint development potential.

Elevated Station Sites

The stations on the elevated portions of the rapid transit system provide the best opportunities. The right-of-way and station areas are usually owned by the CTA, providing a strong probability that a successful model can be repeated at other stations in similar circumstances. Community interest and City of Chicago near-term planning was also considered. The rehabilitation or revitalization of existing stations should be done in conjunction with joint development.

Where the CTA has easement-only rights for the elevated structure, as above streets or private property, there is little opportunity for development control on CTA structures alone. Halsted on the Lake Street line and Polk on the Douglas branch are typical of that circumstance. Stations with little near-term economic growth projections or low present ridership, such as Harvard, Halsted or Racine on the Englewood branch, were also not selected.

There is a wide variety of residential and commercial development adjacent to the elevated stations, but the land-use patterns are generalizable. Usually, the immediate vicinity of the station is devoted to commercial uses, which in turn are surrounded by residential uses at a greater distance from the station. The six elevated stations were chosen to represent different types and levels of potential use or reuse of the surrounding area. Stations were chosen from four different routes, and in different areas of the city. The selections vary in land availability and possible constraints offered by existing buildings and land uses. All but one, which has no station presently, have reasonably-high existing ridership. They are in neighborhoods that appear to have economic potential for joint development.

Of the stations that were selected, Dorchester on the Jackson Park branch was the only site without a current station. It is planned as the new terminal station, replacing the temporary end-of-line at University. There is much potential for development here in an economically-depressed area. The availability of CTA- and city-owned vacant land offers a range of possibilities that would not be possible at the Englewood sites. At Dorchester, there is a challenging opportunity to work with the private sector in redeveloping a part of the Woodlawn community around the new station site.

At the other end of the North-South route, the Howard terminal was selected. This area offers the chance to study adaptive reuse of existing buildings. The station area is abutted by buildings which the Howard/Paulina community wishes to retain intact. Both

the Howard and Dorchester stations have strong interest from community organizations. Lessons for future joint development plans may be learned here, and applied to other stations on the system that are constrained by existing but still sound buildings.

Down the line, Wilson and Belmont offer similar yet different configurations. At Belmont, adaptive reuse of adjacent private property could be jointly developed with CTA-owned property beneath the elevated structure. It is a completely built-up area, but space beneath the tracks may be utilized in an area where vacant land is at a minimum. The stations at Diversey and Fullerton were also considered under similar circumstances, but rejected as less flexible.

Wilson Avenue combines reuse of some structures with a mixture of vacant parcels. This site in particular offers opportunities for development on CTA property. Some stores are already leased on property adjacent to the station. The possibility of closing the rapid transit shops would provide a new parcel for private development under long-term leasing arrangements. Active community interest in a reviving area offers the potential for station rehabilitation through private contributions as a part of the joint planning process.

On the Northwest Side, the station at Damen on the O'Hare line was selected. It is similar in circumstance to 18th on the Douglas branch. The aging commercial strip along Milwaukee Avenue could be assisted by public and private joint planning. Private-sector participation in rehabilitating the station as part of revitalizing the neighborhood would be a positive factor for both the CTA and the community. The right-of-way is narrower here than on the North Side, with that constraint only a part of the intriguing complexity of redevelopment possibilities at this location.

Finally, the Harlem terminal on the Lake Street line was selected as a suburban example. This station is located in the Village of Oak Park. Needed station upgrading may be accomplished along with pedestrian connections to the adjacent Oak Park Mall and Metra commuter rail station.

Each of these station sites offers something different in the realm of joint development. The stations themselves, and their surroundings, reflect the diversity of urban transit settings. The selection process concentrated on providing the aforementioned range of existing situations and potential development scenarios that could be transferable to other sites on the system. The eight case studies will produce a good variety of prototypes for joint development.

THE EIGHT STUDY SITES

The case studies which follow are presented in a geographical sequence, denoting no particular order of priority or development categorization. Each is considered to be unique, although similar cases will likely come to mind. The case studies follow a general format as follows:

- description of the neighborhood surrounding the station; an overview of the present physical infrastructure and socioeconomic conditions
- delineation of CTA real estate; a brief account of property ownership and current use
- general CTA options; some alternatives for non-operation parcels and basic proposals for new uses
- discussion of primary focus for a range of cost and complexity in "doable" development opportunities

All of the station reconfiguration and development design proposals are, at this point, only suggestions of potential CTA value capture and joint development opportunities. The final choices depend upon further market analyses and feasibility studies, as well as compatibility with CTA transit operations.

Each study is followed by a map of the area. The base maps give an appreciation of the building density and vacant land available at each site. The maps portray the extent of CTA land ownership, as well as parcels controlled by the City of Chicago. Other pertinent parcels are delineated and labeled for reference to the text. Photographs provide visual association to the map and text, with specific locations for easy reference. The two tables which follow contain comparative data on ridership levels and bus routes associated with the site areas.

Table I

Transit Station Ridership Figures

<u>Station</u>	Daily Entering Passengers			CTA Bus Transfer	CTA/PACE Transfer
	<u>1970</u>	<u>1985</u>	<u>Rank</u>		
Howard	11,350	10,500	11	35%	33%
Wilson	4,850	5,900	29	30%	20%
Belmont	5,150	9,550	16	40%	24%
Cumberland	-	5,400	33	-	20%
Damen	3,950	3,450	55	50%	35%
Harlem	5,550	5,000	36	0%	28%
Dorchester	1,000	-	-	-	-
University	1,850	2,550	72	-	45%
Jackson Pk.	6,450	-	-	80%	-

Source: CTA Operations Planning

Table II

Bus Routes Near Sites (Route Numbers in Parentheses)

<u>Station</u>	<u>Through</u>	<u>Nearby</u>	<u>Terminal</u>
Howard	-	-	8 (CTA 22, 97, 147, 201, 203, 204) (PACE 215, 290)
Wilson	1 (CTA 145)	2 (CTA 36, 78)	1 (CTA 135)
Belmont	1 (CTA 77)	-	-
Limits	2 (CTA 22, 36)	1 (CTA 76)	-
Cumberland	1 (CTA 69)	-	5 (CTA 81W) (PACE 240, 241, 290, 331)
Damen	1 (CTA 50)	2 (CTA 56, 72)	-
Harlem	5 (PACE 305, 307, 309, 313, 318)	-	-
Dorchester (University)	1 (CTA 63)	2 (CTA 6, 28)	2 (CTA 1, 27)

Source: 1985 CTA System Map

1. Howard Street

The Howard Street station is at the northern limits of the city, in the community of Rogers Park. It is the terminus for the busy North-South route. This area has long been known as one of the more attractive residential sectors of the city. Land use in the immediate vicinity of the station is commercial, which is in turn surrounded by residential uses. This is typical of most stations on the older portions of the elevated system. The commercial areas have experienced some decline. Local organizations are working to bring about physical improvements as well as an economic boost.

Howard Street consists of a commercial strip in both directions from the station. There are small service and retail shops beneath the platforms. To the east, the strip extends for about three blocks. (See photo 1-2) The Howard Theater abuts the station to the east, with the entrance in mid-block leading to the theater itself in the rear. The street frontage of the theater building contains ground-level storefronts with two floors of apartments above them. At 1607 W. Howard, further east at the corner of Ashland Avenue, is a five-story office building which has recently undergone renovation. The north side of the street is not as attractive in appearance as the south side, but the stores are full and retail businesses on both sides appear busy. Community services occupy much of the block north along Paulina Street.

Behind the strip are three-story apartment buildings in contrasting socioeconomic settings. To the north, the buildings are generally in poor to fair condition. There is some rehabilitation beginning, but this is not currently considered an attractive area. To the south, along Rogers Avenue and other side streets, the difference in condition is dramatic. Generally, all buildings appear to be in good repair. A few single-family homes are mixed in with the apartment buildings.

West of the station, the north side of Howard has an older two-story commercial building consisting of storefronts and apartments. This side of the street is in the city of Evanston. (Site E on Howard map) A parking lot lies in mid-block. Behind this strip to the north lies the Howard Yard of the CTA. The south side of the street has two large buildings, consisting of the North Shore Bank on the corner of Hermitage Street, and the offices of the Benefit Trust Life Insurance Company (BTL). (See photo 1-1) Behind the buildings, along Birchwood Avenue, are large parking lots for BTL employees and bank customers. Further west along Howard is a bowling alley and another office building on the corner of Clark Street.

Adjacent to the station, between Hermitage and the rail embankment is a small cluster of retail stores with addresses of 1661-85 W. Howard. (See photo 1-5) South along Hermitage, behind the stores, is a bus interchange facility for both CTA and PACE routes. (See photo 1-7) Further south is a large parking lot for

rapid transit users. (See photo 1-8) Between the lot and the embankment is Schumacher Electric, a manufacturing company providing the only industrial use in the station area. The office buildings and the plant appear to house active business concerns generating considerable amounts of automobile traffic daily.

There is little vacant land in the area, aside from the parking lots and a half-block along the south side of Birchwood. The station area is heavily built-up. Vacant property northeast of the yard will soon disappear through yard expansion.

CTA Real Estate

The Howard Yard and terminal facilities occupy a large area of more than eleven acres. The yards lie on both sides of the Chicago-Evanston boundary, and are presently undergoing large-scale expansion. The Evanston portion to the southwest will extend to the alley behind the small commercial strip, occupying a former car dealership in the process. To the northeast, the yards will expand onto former urban renewal land up to Haskins Avenue, and to the alley behind the west side of Paulina Street.

Beneath the platforms, the north side of Howard is occupied by CTA offices in the former North Shore interurban station. The south side is leased to a few small stores, including a snack shop. South of Howard, beside the right-of-way, the Authority owns the land utilized by the bus transfer facility and the transit-users parking lot. The little shops are typical service and retail uses, in a condition approximately the same as the other properties on the street.

CTA Options

The space beneath the platforms on the north side of Howard has already been earmarked for crew facilities. Such use for operations rather than rental space may be the most practical, but care must be exercised to reduce the blank, boarded-up appearance beneath the viaduct. A bright coat of paint applied to the concrete structure and crew facilities can go a long way toward eliminating dark and drab areas beneath the elevated tracks. (See photo 1-4) Across the street, the stores leased by the CTA could use a face-lift for the same reason. The Authority must take pains to enhance the frontage in its control, and present a pleasing, attractive image to the public.

North of Howard, there is no CTA property available for development. The expanded yards will occupy all available acreage. The Haskins-Hermitage land-use plan developed by the City of Chicago will turn some property over to CTA and develop the rest into a park on Juneway Terrace. The primary opportunity lies south of Howard, involving the reconfiguration of the station entrance to provide more efficient rider-oriented retail services. A secondary

opportunity would orient a new station entrance to address the concerns of the present Howard Street merchants.

New Transit Station Entrance

The major joint development opportunity at the Howard Station lies to the southwest, at the present station entrance and bus interchange. The main rapid transit entrance at this location is hidden behind a private retail facility presenting only a fair appearance to shoppers and riders. (Site A on Howard map) (See Photo 1-6) Although this intermodal transfer facility has convenient service and retail shops, the configuration is poor. The appearance is also less than desirable, with the ground littered and dirty. Without control over adjacent private developments, the Authority can do little to ensure the cleanliness of the area, and must suffer the consequent damage to public image. The CTA property, however, is not much better maintained.

Six CTA and two PACE bus routes terminate here, with all but one acting as feeders into the rapid transit system. This location would be well suited to a new transit and retail center. The concept of bus and train terminals routing riders through retail shops is attractive to developers and community representatives. The correct juxtaposition of these facilities is essential, however, to maximize the potential for revenue. Joint planning of a new and well-lit center between the Authority and the private owner of the corner parcel is one alternative development plan.

Two alternatives for the design of the new terminal center are possible. The first would redesign the configuration of the bus and retail facilities into a single-level building. The bus passengers would walk through a passageway, with the shops on either side, as they transfer to rapid transit. This opportunity is lost under the current configuration, with the bus passengers disembarking to a blank wall and avoiding the stores through a passageway beside the rail embankment. The present commercial area could be demolished and incorporated into a new building, planned for increased benefit to both the private and public sectors.

A second alternative would close the present station entrance permanently. Rental space beneath the platforms could expand into the fare-control area from the Howard side. Much of the privately-owned corner could be left to open space, with a small park-like atmosphere including bushes and benches. This pleasant setting would lead to the new entrance of the joint terminal building. The ground-floor bus terminal would lead to direct escalator/elevator access to a second floor above, which would contain retail and service shops. This arrangement would route passengers directly past the stores. From the second floor, turnstiles would provide access to the rapid transit platforms. A pedestrian walkway above the tracks would send riders directly onto the platforms. Access might also be provided to the retail area, within the turnstiles, to Skokie and Evanston riders who change trains here.

The joint development benefits to the Authority might include private contributions toward a more attractive station entrance and transfer facility arrangement. Revenues from the store leases would be shared, with expected increases to the private sector through increased patronage, and to the CTA through an entirely new piece of the revenue from retail operations. The business zoning on these parcels (B5-2) allows a floor area ratio of 2.2, which would pose no hindrance to such a plan.

More parking is apparently necessary at this busy station. With the commercial area off the ground, the bus terminal could be shifted slightly north, into the southern portion of the private parcel. This would bring the side benefit of adding a few more parking spaces to the usually full CTA lot. Vacant land on the south side of Birchwood could also be developed for more parking. (Site C on Howard map). A more expensive proposition is a multi-story parking structure, either on the present CTA lot using public funds or perhaps jointly constructed on one of the Birchwood sites. Benefit Trust Life presently has a large lot on the north side of Birchwood for its employees. (Site D on Howard map) With the insurance company planning to move its offices, a parking development might be coordinated with new owners of the building.

New East-Side Entrance

A second major development alternative could be considered, providing for reuse of the building on the northwest corner of Howard and Paulina. (Site B on Howard map) (See photo 1-3) The first two floors could be redeveloped into a second transit entrance, containing perhaps only a coffee shop and small concessions. A second pedestrian walkway over the tracks from this location would descend to the northern end of the platform. This configuration might address the concerns of the HPDC, enabling direct access to the retail strip for all riders not transferring to buses.

Under this development scenario, the two separate entrances, on opposite sides of the embankment and opposite ends of the platforms, would serve a dual purpose. Accessibility to the station would be greatly increased, and would at the same time be aesthetically more pleasing than the present station entrances. The CTA would realize substantial revenue from their share of retail space leases. The east-side entrance would please the community organization, and garner their support for the entire station renovation project.

Community Interests

The Howard Paulina Development Corporation (HPDC) is interested in ensuring revival of the area. The organization is particularly concerned with the stability of the commercial strip on Howard as an anchor to the community. The current orientation

of the transit center to the west does not bring riders to the commercial district. Under the major development plan proposed above, the leasable space beneath the viaduct could be put to more productive use, thus tying the transit area more clearly with the shops to the east.

The HPDC originally developed concept plans calling for utilization of the Howard Theater as an entrance into a new station area to the east of the tracks. CTA operational constraints appear to make this proposal unworkable. The Rubloff organization is HPDC's new consultant and leasing agent. The CTA should submit its own design plans to Rubloff and the HPDC in the early stages of redevelopment discussions.

Under any of these development scenarios, it is not envisioned that the total amount of retail space incorporated within the plan will be significantly greater than the amount now on the site, including the parcel at the southeast corner of Howard and Hermitage. The addition of one or two larger "anchor" stores might be possible in the larger development plan proposed by Rubloff, however. Rents will be higher for all stores. The amount of office space might increase, especially in the BTL building, but not to a large extent. While no market surveys were conducted for this project, these impressions are based on knowledge of the area and general market trends.

Efficacy of the Development Process to Date

One of the most useful reasons for selecting the Howard Station for analysis is that there has been an on-going redevelopment process for the last five or six years. It would be instructive for CTA staff seeking to improve the CTA role in development to reflect upon the process as it currently operates for at least one Chicago community.

The following description of the historical development process is based upon an understanding of the issues. The comments on the role of the CTA are based on an analysis of available information and on comments provided by Jeff Romine, Executive Director of Howard-Paulina Development Corporation, in a meeting on September 24, 1986.

Setting of the Community Development Process

The various community groups operating in the Rogers Park area have at times expressed concern about the decline of Howard Street. It is felt that the crime, graffiti, and generally undesirable conditions have led to store closings, an influx of low-quality retailers, and what community residents perceive as the beginnings of widespread building abandonment and slum development.

The community has worked with the property owners, the store owners, the alderman, the ward committeeman, and the Departments of Planning and Economic Development to bring about a stabilization and revitalization of Howard Street. About three years ago, the Department of Economic Development provided funds to staff the Howard Paulina Development Corporation (HPDC), which was created as an offshoot of the Rogers Park Community Council to deal specifically with Howard Street problems.

The HPDC operates as a chamber of commerce, as well as a development organization. As a chamber of commerce, the HPDC seeks to attract new businesses into the area, assist existing businesses with areawide problems, and act as the voice and conscience of the area. As a development organization, the HPDC is the community implementing agency for City of Chicago economic development programs such as facade rebates, sidewalk improvements, community signage programs, and promotional efforts. These roles are typical of many Chicago economic development organizations. Most of these efforts have been conducted by volunteer community residents or business owners, with some paid staff providing continuity and expertise.

As in any community economic development process, a major concern is the maintenance of the real estate in the community. The understanding, whether stated or not, is that control over the use of the real estate is the only real power with which residents can influence the development of their area.

From the perspective of the HPDC, the CTA is not simply a passive operator of trains and buses. CTA real estate can have great influence upon the attractiveness of the community. Some of the characteristics of CTA real estate which influence the attractiveness of the area are:

1. impact of noise from the trains or buses;
2. impact of riders upon retail sales, parking for shoppers and cleanliness in the vicinity of the station or bus transfer point;
3. impact of the viaduct, retaining walls, platforms, entry areas, and other construction upon the environment or mood of shoppers on the street (e.g., does the viaduct create a barrier which shoppers are reluctant to cross for psychological reasons);
4. station, viaduct, or other areas as a gathering place for individuals whose very presence is likely to create fear or discomfort in the mind of shoppers or area residents;
5. station, viaduct, and other areas clean and free of graffiti;
6. retail operations to which the CTA leases space as a benefit or a detriment to the shopping character of the street.

At the community level, these are very real economic and community concerns. Businesses fail, community residents are victims of crime, and residents move away when the combination of deleterious factors reaches a critical maximum. This undefined critical maximum is probably exceeded at many CTA elevated stations.

The quality of the environment is first and foremost a psychological issue. The CTA station at Fullerton, for example, is probably no worse looking or feeling than the station at Jarvis. Nevertheless, because of other factors such as the affluence of the population and the constant presence of pedestrians, the Fullerton station is felt to be much safer than the Jarvis station.

From a community perspective, the lack of a good environment is not neutral. The CTA real estate cannot be an indifferent element in the environment, particularly given the physical dominance of concrete walls, entry areas, and viaducts. A poor CTA environment is a positive attraction for dirt, crime, graffiti, and undesirables. An attractive, vibrant CTA environment can be a positive attraction in terms of transit ridership.

Throughout Chicago, the track record of public agencies or quasi-public corporations in maintaining real estate and contributing to a positive environment has not been very good.

Residents understand that public agencies and quasi-public corporations tend to be bureaucratic and tend to ignore the quality of the local environment, particularly as the environment is affected by the agency property.

The appropriate individuals to contact about real estate problems are never easily determined. The pertinent community issues, such as crime, graffiti, garbage, and maintenance of property tend not to be high priorities for any public agency or, for that matter, for many private owners. Agencies tend to pass the buck on such matters, and even when the appropriate individuals are identified, these individuals can ignore community complaints, generally with impunity, for a long time.

This description is not meant to apply solely to the CTA, obviously. What we are attempting to do is provide the community perspective on dealing with public agency real estate.

Within this framework, property owners and tenants occupying the most space are those which community residents feel have the most stake as well as the most influence in the future of the area. In the Howard Street corridor, the major owners, tenants, and buildings include the Howard Theater, Wisdom Bridge Theater, Benefit Trust Life Insurance Company, North Shore Bank, and the CTA. From the perspective of the HPDC, a major improvement in the environment on the street will be a function of improvements in the major parcels on the street.

Plans for major improvements in neighborhoods generally exist in the minds of residents or business owners for many years before any implementation takes place. Occasionally, these plans are written down in community studies or reports, some of which are funded by City of Chicago agencies. Writing a plan in a report does not necessarily imply economic, financial, or engineering feasibility.

In the case of the Howard-Paulina area, there has been discussion for many years about what else can be done with the retail space at the corner of Howard and Hermitage; how to provide better connections between the elevated trains and the buses; what can be done with the Howard Theater; how to make the viaduct less fearsome; and many other issues. These plans, reports, and discussions have been promulgated by residents, business owners, students in urban planning from Northwestern University, the City of Chicago Department of Planning, and others. One distinguishing feature of these plans is that they seldom contain any discussion of implementation, and the promoters of the plans seldom have the expertise or the financing to undertake the development themselves.

In this environment, the HPDC has taken a more aggressive approach. The feeling of the Board of Directors of this organization is that waiting for someone with the expertise and financial ability to "adopt" a community plan and take the plan to

fruition is not productive. The HPDC has had prepared, using Department of Economic Development funds, another planning study documenting how revitalization of the Howard Theater could be tied to improvements to the CTA station. This study did not incorporate economic, financial, or engineering considerations.

The relatively unusual stance of the HPDC is that they intend to take this study to the market. With tacit approval of the Department of Economic Development, the HPDC has solicited letters of interest from developers, using the HPDC conceptual plan as the lure. The HPDC intends to sign letters of cooperation with a developer interested in implementing a project somewhat on the order of the HPDC plan. In the absence of firm feasibility studies, the HPDC will likely agree to most modifications of the conceptual plan which are justified by the developer's own studies.

The HPDC will use their own considerable clout to dissuade other developers from intruding on the process. There are, of course, no guarantees in this process. The developer may not find any reasonable plan to be feasible. Any individual property owner may decide not to sell or not to cooperate in the plan. The City may not agree to the developer's plan, even though creation of a commercial district is one of the usual beginning steps of City cooperation. The HPDC may change Board of Directors, which might decide to oppose the plan they solicited earlier.

At some point, contracts for development, real estate acquisition, and public improvements will need to be signed. These agreements may be tripartite agreements, between the City of Chicago, the developer, and a property owner. More likely, there will be numerous two-party agreements, some of which will be dependent upon actions by other parties. Depending upon the scope of the ultimate plan, the legal and financing agreements may be extraordinarily complex.

Within this sea of uncertainty, it becomes important to find islands of stability upon which the HPCD, the developer, or the City can depend. These islands of stability are the items upon which someone, whether the developer, the developer's architect or engineer, or the developer's attorneys will have to construct the remainder of their detailed plans and strategies.

These islands tend to be ideas within the original conceptual plan such as "provide a means of access to the CTA platforms from within the Howard Theater" or "provide a means of easing the access for CTA riders to shopping in the Theater and on Howard Street west of the tracks."

These are some of the concepts upon which the HPDC plan rests. The CTA is obviously a very important participant in any of these concepts. One of the islands of stability which everyone would hope to find is for the CTA to acknowledge the possibility of implementing the above concepts.

This is the entire thrust of the HPDC discussions with the CTA. The HPDC is seeking information from the CTA on whether these ideas can be implemented, what steps would be involved in implementation, and what the costs would be. This information would constitute a substantial island of stability, since relations with public agencies about real estate issues are generally sources of much developer and community inertia. Some early resolution of these issues would provide one of the islands of stability which would make a deal much more attractive for a developer, since one of the major concerns would have already been addressed.

Immediate Past Discussion Between the CTA and HPDC

The HPDC originally submitted to the CTA a sketch showing an entrance to the CTA platforms from the interior of the Howard Theater. The HPDC wished to know whether such a plan was feasible from the CTA's perspective.

According to Jeff Romine, Executive Director of the HPDC, CTA officials have been very cooperative in attending meetings and in trying to provide the information requested. Any difficulties, it seems, have come in some lack of understanding on the part of both the CTA and the HPDC about the roles of the other. This lack of understanding is a function of the following assumptions:

- The HPDC wishes to find out not whether the one particular plan is feasible, but what the constraints on a similar plan would be, what the CTA requirements for future space are, and, in general, how to implement the concept shown in the HPDC sketch. As Jeff Romine put it, the current HPDC approach is to treat the CTA as if it were a tenant being solicited for tenant requirements by a developer. The developer wishes to know what is possible regarding access requirements, electrical, plumbing, and mechanical lines, and future space needs. In this relationship, both the developer and the tenant agreed that solutions should be found. The initial meetings are to determine the "envelope of possibilities" which can later be reduced to exactness.
- It is perceived that the CTA staff tends to assume the plans brought to them by HPDC are final, or at least incorporate extensive consideration of location and layout. In fact, the HPDC treats the sketch as only a concept, and later brought three other sketches to the CTA for consideration.
- The HPDC tends to assume that the CTA engineering staff is accustomed to thinking in a manner similar to that of architects seeking to find a way to make a solution work. A more accurate perspective is that most major CTA engineering work is performed for CTA by the Department of Public Works or contracted out to private engineering firms.

- o The HPDC needs to understand that CTA engineers are not accustomed to operating as consultants, particularly for community organizations. Many community organizations have plans they would like to propose, moreover, and the CTA cannot be in a position of acting as consulting engineers for every plan brought to them by an outside organization.
- o According to Jeff Romine, the HPDC seeks a means for the CTA to be in an active mode regarding development, rather than a reactive mode. Mr. Romine believes that the best way for the CTA to accomplish this is to provide an individual within the CTA, reporting directly to the CTA Chairman, who has the authority to bring CTA Operations Planning, Facilities Planning, Engineering, and Capital Improvements staff into a coordinated task-oriented implementation group.

Mr. Romine echoed one of the recommendations presented in this report, when he suggested that the CTA provide development guidelines for each station, so that the CTA would have some original in-house thinking about possibilities for development. In this way, the CTA could bring information about CTA development constraints and possibilities to community groups for use in their own planning.



1-1 Howard Street, looking west — North Shore Bank and Benefit Trust Life buildings on left, to the right is E on map.

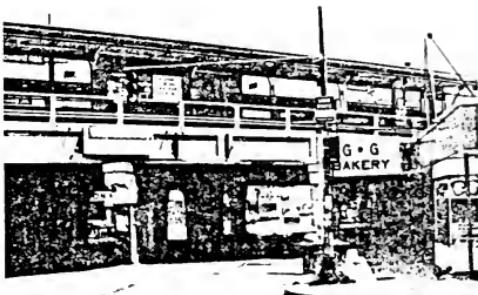


1-2 Howard Street, looking east — side street is Paulina Street — Howard Theater and 1607 office building on right.

1-3 Northwest corner, Howard and Paulina (B on map).



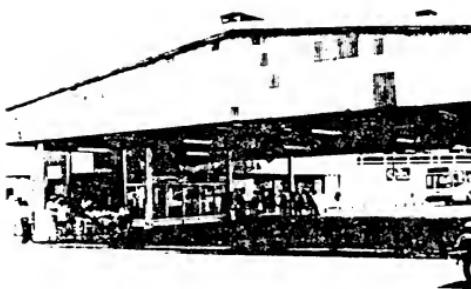
1-4 Howard Street, looking east toward station from Hermitage Avenue — building on right is A on map.



1-5 Howard Street southbound platform, retail stores and Hermitage Avenue.



*1-6 Retail stores at 1661-85 W. Howard
(A on map).*

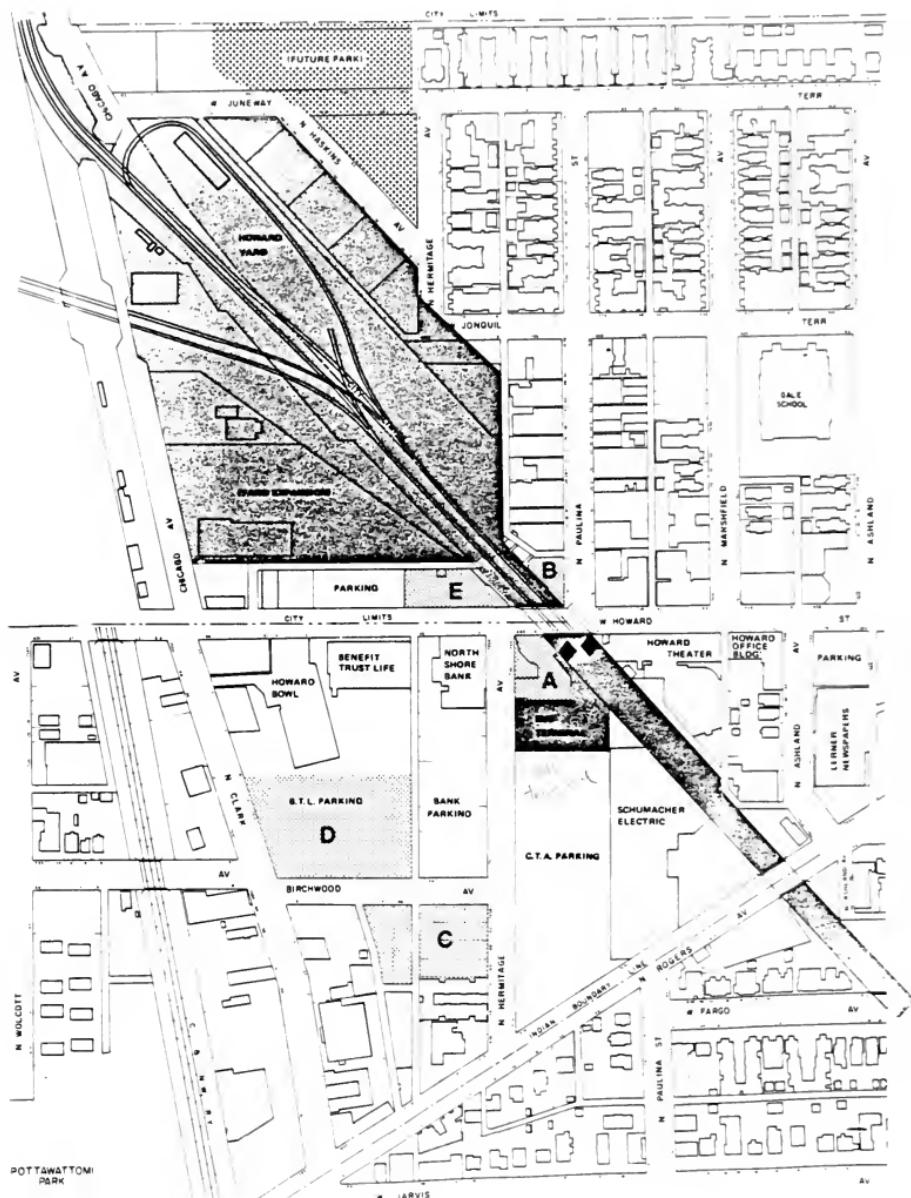


1-7 CTA bus terminal on Hermitage Avenue.



1-8 CTA parking lot on Hermitage Avenue.

HOWARD STREET STATION AREA



**□ CTA REAL ESTATE USED FOR OPERATIONS
(INCLUDES RIGHT-OF-WAY, RAIL YARD FACILITIES
AND BUS TERMINALS OR GARAGES)**

OTHER CTA REAL ESTATE (NON-OPERATIONAL)

PRIVATELY-OWNED REAL ESTATE PARCELS REFERENCED IN TEXT

 REAL ESTATE CONTROLLED BY CITY OF CHICAGO

 RAPID TRANSIT STATION ENTRANCES



2. Wilson Avenue

The corner of Wilson and Broadway is central to the Uptown community. This community has experienced severe problems associated with abandoned buildings, an influx of poor tenants and poor landlords, increases in social service agency clients, and similar urban problems. Many of the businesses reflect this past situation. There are large numbers of three-story apartment buildings in fair to poor condition.

Over the last five years, however, conditions in Uptown have begun to improve. Some blocks have been voted dry, eliminating taverns. Residential rehabilitation has become apparent in almost all areas, including both large and small developers. According to observers, Uptown is beginning to return to a middle-class community. Plans for major rehabilitation are being discussed by developers, property owners, community organizations, and public agencies.

Currently, the area along Broadway to the east of the station is commercial and retail with a seedy appearance. The storefronts on the east side, north of Wilson, have apartments above them. The west-side storefronts are positioned beneath the elevated structure, on land owned by the CTA. (See photo 2-1) South of Wilson, on the east side of Broadway, is Uptown Federal Savings at 4545 N. Broadway, an active lender in a good building with adjacent parking. On the southwest corner is the McJunkin Building at 4520-70 N. Broadway, recently renovated and offering essentially the only office space in the area on two floors above the storefronts. (See photo 2-9) An Aldi's supermarket further south at 4460 N. Broadway contrasts with the remaining rundown and partially-vacant storefronts. Between Aldi's and the McJunkin Building is vacant property and a small, single story remainder at 4506-12 N. Broadway which could be removed. (See photo 2-10) The building at the northwest corner of Montrose and Broadway at 4400-28 N. Broadway houses undesirable businesses, including a tattoo parlor and adult bookstore. (See photo 2-11) Neighborhood scavengers abound in this area.

Behind the commercial strip to the east is a mix of apartment buildings and vacant lots along Winthrop and Kenmore Avenues and Sheridan Road. Similar residences lie south of Montrose Avenue, east of the tracks. The general condition of all of these buildings is poor. The economic revival of these areas must include rehabilitation of the residential structures.

Wilson Avenue, beneath and beyond the tracks, is a small commercial strip, in a condition similar to Broadway. West of the elevated structure and south of Wilson is Truman College, relatively new and in good condition. (See photo 2-8) North of Wilson is a small industrial area along Clifton Street, housing a few businesses. (Site E on Wilson map)

As noted above, there are positive signs. The commercial areas near Broadway and Wilson continue to be busy. Residential rehabilitation has completely altered the characteristics of Sheridan Road south of Montrose, on Buena, and on stretches of Winthrop and Kenmore. The historic building at the corner of Sheridan and Wilson has been redeveloped. Recently, redevelopment grants have been sought for two sites. A private redeveloper has plans for 156 units in six three-story buildings in the 4200 and 4300 blocks of North Kenmore. The City Department of Housing will provide funds for a 163 unit project in eight buildings in the 800 and 900 blocks of West Sunnyside and West Agatite. The two projects will cost over \$13 million combined. Others have already been completed. The presence of Truman College provides stability to that portion of Wilson Avenue and the area to the south. Nearby at Montrose and Hazel, Pensacola Place, anchored by a Jewel/Osco, is new and bright. The renovated McJunkin Building and Uptown Federal provide a more attractive physical presence that serves as a symbol to community revival.

CTA Real Estate

The Wilson Avenue Shops of the CTA adjoin the North-South Howard elevated line and the Wilson Avenue station. Once the northern terminus of the predecessor Northwestern Elevated Railroad, the yards and shops occupy a large area west of Broadway behind the stores, and between Wilson and Montrose. The western boundary abuts the college, labeled on many maps even today as the former Milwaukee Road right-of-way. The yard and shops are on elevated structure, the remnant of a former two-level station, car storage yard and freight terminal. (See photos 2-2 and 2-4) The land beneath the structure is used partially for parking, but a large portion simply lies idle. (See photo 2-12) This is one of the larger pieces of property owned by the CTA.

In addition, the Authority also owns a triangular parcel north of Wilson and west of Broadway, largely under the right-of-way north of and beneath the station platforms. (See photos 2-5 and 2-6) This property is under a master lease and sublet to a variety of stores. The station entrance, formerly on the northwest corner is now half a block north at 4720 N. Broadway in a poor location.

The condition of the leased storefronts on the CTA property is mixed. The Broadway side is occupied principally by a Popeye's Chicken restaurant, a Payless Shoe Store and an appliance store, all in good condition. The sidewalk on the west side is in poorer condition than that on the east side of Broadway. On Wilson, storefronts on both sides of the street are shabby in appearance, with several boarded up. On the north side, the boarded-up front at 1116 W. Wilson contrasts with a pleasant appearance of the 1118 W. Wilson storefront, just west of CTA property.

CTA Options

Clearly, the Authority has a larger measure of control over storefront appearances at this station than at most others. The condition and uses of space on CTA property are similar to uses and physical condition of the privately-owned commercial strip storefronts. The CTA could exercise more control over appearance than it has.

As a minimum, the CTA could improve the northern triangular parcel at Wilson and Broadway. This would serve as a gesture to the community, and provide a more attractive station area. Either through a small expense or through stronger leasing covenants, the CTA could require an attractive facade on all storefronts under its jurisdiction. This would be a first step in a statement to the community-at-large that the CTA is concerned about physical conditions in the area. It may be possible to increase rents as storefronts are improved. The Department of Economic Development facade-rebate program could be used for this purpose, if the CTA were so inclined.

The opportunities at Wilson Avenue represent different stages of development. The first concerns relocation of the present station entrance. The others are larger in scale, involving redevelopment of the Shops property, before and after actual removal of the maintenance facilities.

Station Facility

At Wilson, the two blocks of frontage offer a prime opportunity to attract riders to the system through an attractive station entrance and surroundings. The station entrance itself could be moved from the Broadway location to Wilson Avenue beneath the structure. (See photo 2-7) Remodeling of that area in conjunction with the new entrance would serve a dual purpose. The Broadway entrance could be rented commercially, while the traffic drawn to the Wilson orientation would patronize the additional stores opened there. The former corner location of the station entrance at 4600 N. Broadway is perhaps the most visible, but is more valuable as rental space.

The new south-side location for the station on Wilson would enable the frontage to change. There is presently an exit-only from the station, which could be altered along with neighboring storefronts into a transit entrance associated with service and retail establishments. This would also accomplish the necessary sprucing-up of that area. In addition, the sign and maintenance shop at 1117 W. Wilson could be moved elsewhere on CTA property. For example, it could be located at Howard Yard, on a site that is not usable as rental space.

The Wilson Shops Property

The large area beneath the Wilson Shops should be considered as a separate development opportunity. This large piece of property is a prime location for joint development and consequent value capture on CTA's own land. There are some positive anchors adjacent to or near the property. Truman College to the west is the largest. The McJunkin Building is a well-known structure. Though a block away, Pensacola Place to the southeast is visible from the site.

Design proposals could be sought for a mixed-use complex, incorporating residential and office space. This development could provide for more than 100 residential units, and would be the largest development of its size north of Belmont. The size of the development would tend to create its own market. As long as security issues were properly handled, a development of this size should be able to attract relatively affluent residents, with rents in a range similar to those in portions of Lakeview or Lincoln Park.

Development of the property should be considered in two stages. Until expanded shop facilities are opened at Howard and Kimball, the Wilson Shops will remain in operation. Therefore, planning should begin with uses beneath the present Shops structure and beside it to the east. Upon eventual removal, the project can be expanded up to the four-track right-of-way which will remain.

Currently, the northern portion of the Shops site is used for parking, with access through two entranceways built into the McJunkin Building. This use should continue, since it is already leased for parking for the college. Parking needs would have to be assessed for the development to the south, with expansion designed to cover both requirements.

Though frontage exists on both Wilson and Montrose, acquisition of Broadway frontage would enhance accessibility and visibility of the new project. An existing CTA driveway south of the Aldi's parking lot is insufficient. The Broadway frontage (Site A on Wilson map) could be acquired or jointly developed with the current owner. These partly vacant parcels could provide ground-level retail businesses and an entranceway to future office development, on the most important street in the area.

The two stages of planning can begin immediately along Broadway. Removal of the old storage building at 1036 W. Montrose would permit two entrances to a retail development abutting the present structure. Consideration could also be given to acquisition or redevelopment of the seedy corner parcel south of Aldi's supermarket. (Site B on Wilson map) The Aldi's store could easily be incorporated into a shopping complex under joint management with the CTA or the developer. All of this portion of the project could be accomplished while the Wilson Shops remain in place.

Future planning could also begin on the portion of the site now occupied. Design plans could provide for extension of the eastern retail complex beneath the present structure onto under-utilized space, incorporating an allowance for future expansion upon removal of the Shops. A mixed-use complex could include first-stage retail space and second-stage office space development. In this manner, the CTA and a developer could begin development at once, with consequent revenue income in advance of removal of the yard.

Development After the Shops Removal

The future design could provide for a multi-story structure on the present open space. Present zoning on the entire site is commercial (C2-3), which allows a floor area ratio of 3.0. Increases in allowances could be requested, but the present situation already allows for a substantial development. A detailed market study of the community will show the limits of feasibility regarding marketable office space.

The westernmost limits of the site are bordered by a concrete structure supporting an additional elevated track. The section of this structure south of the southbound express track is a residual ground-level-yard access track. It creates an unnecessary and undesirable boundary, and should be removed. The Authority could then expand their property west to Clifton Street, south of the college. The CTA owns the building at 4401 N. Clifton, (Site C on Wilson map) and could acquire the remaining two parcels, one of which is vacant. (Site D on Wilson map) (See photo 2-3)

Redevelopment of this southwestern corner would complete a major new construction project on the site. Parking space developed at this location could be combined with parking behind the Wilson storefronts to serve the needs of leased space to the college and sufficient parking for the new development. Parking could also extend beneath the elevated right-of-way which will remain, and will serve the development to the east side of the structure. Parking space on two sides would counter the visible walk-in entrances on Montrose and Broadway.

This entire development could be unrelated to the station itself. As previously discussed, the two projects can be considered separately. This site offers strong and immediate potential from value capture on underutilized CTA property. Planning could begin immediately, with a part of the development in place long before the Shops are removed. A properly planned development can provide an impetus to hasten improvement of the surrounding residential and commercial areas. The CTA could be in the forefront in this process, providing gains both in revenue and image to the Authority.



2-1 Wilson Avenue station platforms, looking south – Broadway and McJunkin building on the left.



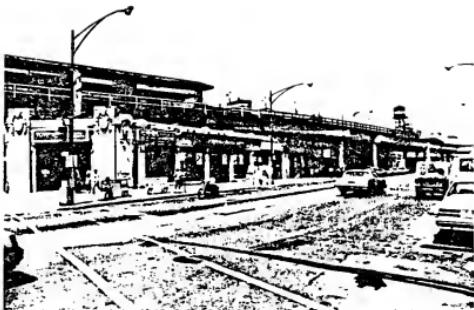
2-2 South end of Wilson Avenue platform, looking south – Wilson Shops and yard on left.



2-3 Looking southwest toward Clifton Avenue – behind the trees is C on map, vacant lot and building are D on map.



2-4 Above Montrose Avenue, looking north – to the left is C on map, Wilson Shops to the right.



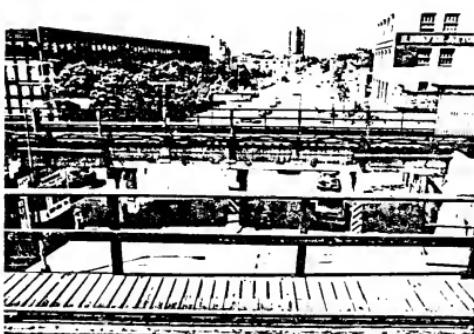
2-5 East side of CTA-owned parcel beneath elevated structure at 4600-50 N. Broadway.



2-6 South side of CTA-owned parcel beneath elevated structure at 1100-16 W. Wilson.



2-7 Wilson Avenue, looking west from Broadway.



2-8 Wilson Avenue, looking west from station platform - to the left is Truman College, to the right is E on map.



2-9 McJunkin Building at 4520-70 N. Broadway.



2-10 Looking west from Broadway — to the right is A on map, to the left is Aldi's Supermarket — Wilson Shops above in background.

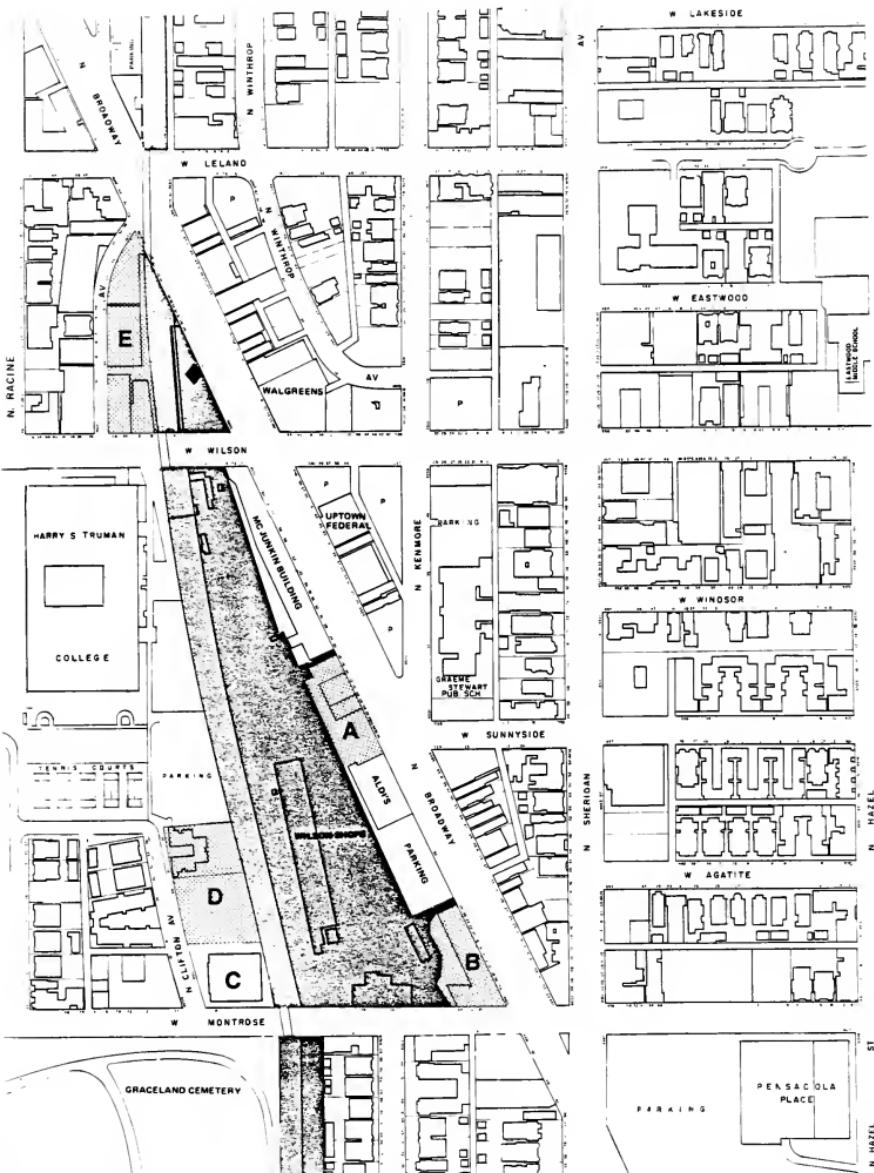
2-11 Northwest corner of Broadway and Montrose (B on map).



2-12 Wilson Shops looking west — Aldi's parking in foreground.



WILSON AVENUE STATION AREA



3. Belmont Avenue

This station is located in a particularly active and redeveloping commercial district. Belmont Avenue has an economically strong retail strip, extending for many blocks to the east and west of the station. The strip is similar in appearance to Howard Street. While some facade renovation has taken place, more could be done. The stores are mostly occupied and active, supplying the usual necessities to the neighborhood. Nearly all of the buildings have two floors of apartments above first-floor stores. The buildings are adjacent to the elevated structure, leaving no vacant land in the immediate vicinity of the station.

East of the tracks, Belmont is a continuous series of storefronts, broken only by Wilton Avenue running north to School Street. (See photo 3-3) Residential areas lie behind the retail sector, across the alley to the south facing onto Fletcher Avenue, and along Wilton east of the tracks. On the northwest corner of Wilton and Belmont is a two-story building at 938 W. Belmont which is apparently boarded-up as a result of a fire. On the south side, adjacent to the structure, is a three-story building housing an Army Surplus Store at 945 W. Belmont.

West of the tracks, the Belmont Avenue strip continues. It is cut by Sheffield Avenue, running parallel to the tracks half a block away. (See photo 3-2) Sheffield contains a mixture of retail and residential uses, backing up to the alley alongside the tracks. The northeast corner of this intersection is a single-story building containing a restaurant and a hobby shop. Just to the north is Leona's at 3215 N. Sheffield, a well-known restaurant. Leona's has an outside deck on the second floor behind the two-story frontage. On the north side of Belmont, the strip is continuous, with shops beneath the tracks housing a take-out restaurant and a pawn shop.

The southeast corner at 959 W. Belmont is a two-story building, with retail uses below and small offices above, again abutting the structure. It is typical of buildings in the area. Tenants on the first floor include a drug store and video shop. To the south, on Sheffield Avenue, is the Vic Theater and a storage warehouse. Both are four stories tall, offering a blank wall on the transit side but a pleasant appearance on the street side. Directly across Sheffield is a six-story building on the corner, (Site F on Belmont map) with some deteriorated industrial space and a vacant Jewel store to the south.

The land-use configuration at this station is commercial surrounded by residential. The residential areas are mostly two- and three-flat buildings in generally good condition and appearance. Redevelopment in this area has been strong for several years. The local business groups have been very aggressive in promoting redevelopment, and the City of Chicago has worked closely with the non-profit groups and the business and property owners to stabilize and improve the area.

CTA Real Estate

The Belmont station is also on the North-South route, serving both the Howard line and the Ravenswood branch. (See photo 3-1) The Authority owns only the right-of-way, with no excess property at this station site. North of Belmont, the route runs just east of and alongside the alley between Sheffield and Wilton. South of Belmont, the route continues in a straight line paralleling Sheffield. There is no alley here, with the elevated structure in the middle of the residential blocks, splitting the east-west orientation of the streets.

The station occupies a small building beneath the structure on the south side of Belmont. (See photo 3-5) The station contains the turnstiles and a newsstand-candy concession. Access is provided to the platforms directly above, which extend from the north side of Belmont south to Fletcher.

Across the street, the CTA leases space to two businesses, occupying the three storefronts beneath the structure at 946-50 W.Belmont. (See photo 3-4) The storefronts and general appearance of these businesses is poor. Garbage is strewn about behind them, making a trip down the alley unappealing. The rest of the area beneath the elevated structure is vacant. The northern portion is used for unregulated and unsupervised parking, apparently by local residents. The area south of the station is unused property adjacent to the residential buildings.

CTA Options

The Authority has several development options at this site, ranging from low to high levels of cost and risk. Though there is no CTA property beyond the right-of-way, potential uses beneath the elevated structure are possible. Adjacent property can then be assessed for jointly planned expanded uses, including relocation of the station entrance and concurrent development of rider-oriented retail facilities

As a minimum, the condition of the leased space beneath the structure could be improved. Facade improvements would make the stores look more attractive and might permit higher rents. The area behind the stores should also be cleaned up. The garbage bins and the haphazard automobile parking are an eyesore, and are typical of a lack of management control.

Parking Beneath the Tracks

It is apparent that the area beneath the tracks is being used as convenient parking space. (See photo 3-6) Since the alley between Belmont Avenue and School Street is adjacent to the structure, the Authority should take steps to organize use of this property, and profit from providing the parking space. The whole

block-long area could be fenced, paved and striped, with subsequent space rental to specific parties in a controlled situation. For example, Leona's might be interested in obtaining reserved parking for their customers, accomplished through a simple leasing arrangement. This is an ideal example of an available value capture opportunity, albeit on a small scale.

In addition, three vacant lots presently exist at 3214-20 N. Wilton. (Site A on Belmont map) The Authority could acquire these, or enter into a joint agreement with the present owners, to enlarge upon the CTA right-of-way parking development. Nearby store owners or residents would likely have an interest in assigned parking in a congested area. Parking beneath the structure south of Belmont, behind the present station, could also be studied, though there is no alley here to provide access. The physical positioning of the girders and cross-braces might prove to be an insurmountable hindrance, but with street parking space at a premium, the possibility should be investigated.

Alternatives for Station Relocation

The old station beneath the structure requires upgrading or repositioning. Most of the possible configurations necessarily involve joint development, since they would include adjacent parcels and private owners. But one design does not. The CTA could reconstruct the station in its present location. Utilization of the entire width of the right of way, from sidewalk to alley, would provide a larger single-story station allowing expanded retail concessions. In this case, the CTA would absorb all the cost, but would attain total value capture through revenue from concession leases in the service and retail center. An innovative design would fit amid the iron girder latticework. Built to the right-of-way boundaries, it could become a prototype of maximum space utilization on CTA property in such land-constrained areas. Access to the platforms would remain the same as now, directly above the station.

A larger project would involve the joint redevelopment of an adjacent building at one of the four "corners" abutting the tracks. The CTA could offer to share construction costs toward the attainment of shared increases in retail revenue. With some initial review of their present condition and use, each could theoretically be a candidate. Any one of the buildings could potentially be remodeled into a station and retail center, though the positioning of some is preferable to others. The goal would be to provide a two-story center with direct platform access via a pedestrian walkway over the tracks.

A likely choice for conversion would be the Army Surplus Store directly east of the present station. (Site C on Belmont map) (See photo 3-7) It appears to be in good condition, and reuse would almost certainly lead to higher rents. It is also the tallest of the adjacent buildings, and thus offers the best chance at direct

platform access through the building, with the inside providing much space for retail leasing. The opposite building west of the station also appears ready for new use. (Site D on Belmont map) (See photo 3-8) The types of storefront businesses and the semi-vacant upstairs offices indicate that the owner might welcome the joint opportunity. Access to either of these buildings would be off Belmont, near but not beneath the tracks.

The burned-out building on the northwest corner of Wilton and Belmont looks like a candidate for replacement. (Site B on Belmont map) A completely new building for a transit center could be developed here, but a drawback might occur with regard to platform access. The north end of the platform ends here, and right-of-way constriction at this point prohibits northward expansion. The single-story building on the west side of the tracks is least likely, and appears sound in its present use. (Site E on Belmont map)

The choice of one of the south-side buildings would offer central access to the platform, especially important in a tight area, and appears to be the better location. The scale of the joint development project in renovating one of these buildings can vary. Instead of renovation into a transit center, either of the two buildings could be demolished, and a new building constructed in its place. This decision would depend upon the structural condition of the present structures and their ability to absorb transformation, and also the willingness of the property owner to cooperate.

The primary site, should a new building be considered, is the southeast corner of Belmont and Sheffield, west of the present station. This is not an architecturally significant building and would provide a prime site for a mixed-use development. A market analysis, to demonstrate the marketability to absorb additional office or residential space, would be justified under the new construction option.

A new building would match the height of the neighboring Vic Theater for street frontage compatibility. Current zoning classification of C1-2 only allows a floor area ratio (FAR) of 2.2. A change might be requested, for example to the B5-3 on the east side of the tracks, which allows an FAR of 3.0. A more attractive alternative might be to design the building with a corner setback, thus drawing attention to the building in a dramatic way.

Such a new building, jointly developed on private land under CTA impetus, would offer ground floor retail and two floors of office space or residential space near the corner. The CTA transit center would be adjacent to the structure, providing a two-floor design with direct platform access routed through it. Further expansion on this theme would combine a single-level structure beneath the tracks with the new building into one design plan. Retail shopping would replace the station beneath the tracks. This

design would provide a larger-scale joint development, which would include CTA property with the private parcel, and consequent value capture to the Authority. Such a plan would provide shared lease revenue, and a new, attractive station serving the busy Belmont station.

Expanded-Scale Development

At the upper end of the cost spectrum, the most ambitious project would be to construct new buildings on both sides of the elevated structure on the south side of Belmont. This large complex would have a vertical U-shape, with the building joined contiguously by the single floor on CTA property beneath the tracks and platforms. Structural integrity of the two buildings, as well as market cost and design compatibility, would determine the choice between new construction after demolition or total renovation of the existing structures.

A pedestrian walkway would connect the two portions of the building above the tracks. Access directly onto the platforms from overhead would occur at the end of a route past the retail stores and through the turnstiles within the building. An enlarged pedestrian area and fourth part of the complex could be privately constructed over the elevated structure, through granting of air rights to a developer.

The latter project may seem overambitious, but precedents do exist. The use of air rights above an elevated transit structure, for more than just a walkway, is a concept which might attain value capture in a manner heretofore untested. The Authority has property "in the air" which supplements their landholdings "on the ground." Both should be studied for joint development, with the goal of value capture for all existing owned property. The Belmont station site offers a chance to assess the feasibility of unique larger-scale air-rights leasing above an already above-ground structure.

Coordination with the City

The City of Chicago has designated a Commercial Development District at Belmont and Sheffield, including the block on the southwest corner. The plans of the Department of Economic Development for this site should be assessed during the other necessary investigations at Belmont. The corner office building has been renovated and parking development is contemplated. The plan seems to be on hold at the moment. The Authority is provided with the opportunity to work with the City of Chicago in what the city calls a "blighted" commercial district.



3-1 Belmont Station platform, looking north —
large building on left is Vic Theater.



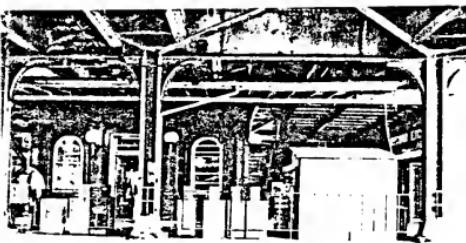
3-2 Belmont Avenue, looking west — cross street
is Sheffield Avenue — to the left is D on map,
to the right is E on map.



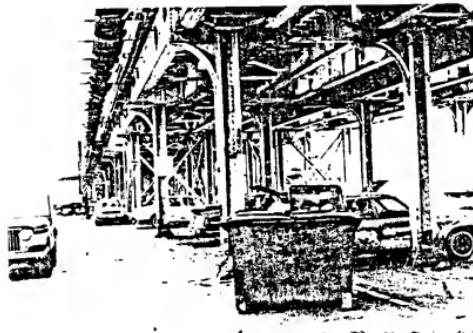
3-3 Belmont Avenue, looking east — side street is
Wilton Avenue — to the left is B on map, to
the right is C on map.



3-4 CTA rental property beneath structure at 946-
50 W. Belmont.



3-5 Belmont Station beneath structure on south side of Belmont Avenue.



3-6 Uncontrolled parking beneath structure north of Belmont Avenue - A on map is to the right.



3-7 Army Surplus store at 943 W. Belmont (C on map).



3-8 Belmont Avenue, looking east toward station from Sheffield Avenue - building on right is D on map.

BELMONT AVENUE STATION AREA



CTA REAL ESTATE USED FOR OPERATIONS
(INCLUDES RIGHT-OF-WAY, RAIL YARD FACILITIES
AND BUS TERMINALS OR GARAGES)

OTHER CTA REAL ESTATE (NON-OPERATIONAL)

PRIVATELY-OWNED REAL ESTATE PARCELS REFERENCED IN TEXT

REAL ESTATE CONTROLLED BY CITY OF CHICAGO

RAPID TRANSIT STATION ENTRANCES



4. Limits Garage

This bus garage is located in the community of Park West. This area, north of New Town and Lincoln Park, is relatively affluent on the socioeconomic scale. It is a high-density residential area of the city, with land use entirely devoted to residential and commercial activities. The type and mix of stores support the "upscale" designation often given to this neighborhood.

Clark Street is the major commercial thoroughfare, and the stores on Clark seem typical of older urban retail strips. But the ground-level storefronts, on closer inspection, have mostly been renovated to a more modern and pleasant appearance. Above them are usually one or two floors of apartments, which have generally not been altered externally. At Drummond Avenue, on the east side of Clark across from the garage, are two three-story "men's residence" hotels above the stores. The east side of Clark also contains a Crown Books, one of three bookstores within a two-block area. The east-side retail strip is broken only by a post office, and two high-rise apartment buildings at 2625 and 2555 N. Clark Street.

On the west side of Clark are a number of restaurants, including a Golden Nugget Pancake House at 2720 N. Clark on the Schubert corner. The only vacant building in the vicinity is on the corner of Drummond, at 2644 N. Clark just south of the garage. The locally well-known Aspidistra Bookstore is just to the south at 2630 N. Clark. The retail strip is only interrupted by the block containing the bus garage itself. Clark street is busy with pedestrians, and is crowded as well with auto traffic. This is a viable business district, with virtually no vacant space.

Retail uses abound on Diversey Avenue as well. On either side at the Diversey corner, office space is available on the second floor. East of Clark, the south side is older storefronts, while the north side contains another high-rise apartment building at 600 W. Diversey, with a Walden Books and a Paperie store on the ground floor. The retail uses continue north along Clark and Broadway (which begins at the Diversey-Clark intersection). A Walgreens and Ace Hardware are on the corners, along with a savings and loan. At 2828 N. Clark is The Century, a seven-level retail conversion inside the old Century Theater building, with 50 stores and names reminiscent of suburban shopping malls. Again, the name stores and restaurants located in the vicinity bespeak the higher class of the neighborhood residents.

The side streets are all residential in the classic sense of "behind the strip" urban geography. The condition of most of the older three-flats is good to excellent. West and south of the garage, in particular, the tree-lined streets are replete with attractive residential renovations. They make a silent tribute to the value of urban preservation. There is a basic uniformity of height in these structures, while east of Clark, the building heights rise. Eight- or ten-story older structures, also in excellent condition, meld with newer high-rises. The latter

increase in frequency toward the lakefront only a few blocks away. The two high-rise apartments directly on Clark stand in stark contrast to the lower profile of the commercial strip.

CTA Real Estate

The carbarn occupies the block between Drummond and Schubert at 2684 N. Clark. (See photo 4-1) It extends west for two-thirds of a block, ending at an alley behind Orchard Street. (See photo 4-3) West of the alley are private residences which front onto Orchard. The site is broken only at the southwest corner, with portions of the garage surrounding private property containing three residential buildings. (See photo 4-4) A small portion is rented out at 2650-54 N. Clark to a cleaners and a photo studio. (Site A on Limits map) (See photo 4-2)

As is typical of bus garages, this parcel of property is isolated from other CTA property. The nearly 150,000 square feet of real estate is an historical residual. Built in 1909 as a streetcar barn, its very name connotes its history of location near the "limits" of urban development at that time. Today it is surrounded by high-density land uses far from the edge of the city. Its present transportation function is as a storage and maintenance facility for 10 bus routes, with none of them actually terminating here. The site would clearly be suited for alternative use. It offers the Authority the opportunity for reuse unrelated to the bus system. The only necessary consideration is where to efficiently relocate the bus facilities.

CTA Options

The Limits Garage attracts attention as an anachronism amidst its surroundings, and aesthetically simply doesn't belong on the street. The front of the building presents a blank wall that is an anomaly among the storefronts. The idling buses spew exhaust into the air, contributing little to the neighborhood beyond the service of mosquito abatement. (See photo 4-5 and 4-6) Change from the present use would certainly be welcomed by some local residents.

The choices of residential, office and retail uses might all be considered, separately or in combination in a mixed-use development. These alternatives for development offer opportunities for reuse of CTA real estate which not only brings new revenue but also important intangible benefits to the Authority's image in the city. In addition to the usual criteria of market feasibility, consideration must also be given to the feelings and desires of local residents. The current movement toward downzoning reflects the mood of many of the community's members.

The Limits Parcel

Careful planning in this case can provide the Authority with both financial reward and image enhancement. Property values in the area are quite high, and the Clark Street frontage provides additional visibility for potential development projects. The CTA can capture this value through the joint development process by proposing an appropriate redevelopment of the site to interested developers. Ridership generation is not a consideration, though some could occur on passing routes along Clark Street. Revenue would be derived through long-term leasing of the parcel with substantial additional percentages included for the CTA. The location of this site should enable the Authority to construct a deal substantially to its financial advantage.

Current zoning (B5-4) would permit any of the above uses. The difficulty arises from the growing anti-high-rise attitudes. The floor area ratio allowed is 5.0, though Clark Place at 2625 N. Clark just down the street stands at 18 floors of residences atop the ground-level retail. Another high-rise of equal size is under construction at 2555 N. Clark. Though obviously permitted, such large buildings are beginning to lose favor in the community. Clark Place offers an unattractive blank wall as one approaches from the south along Clark. The Authority, considering the downzoning changes and its own public image, should probably not plan a development project taller than five stories, to enable a blending with the adjacent residences to the west.

Purchase of the residences at 638 and 640 W. Drummond (Site B on Limits map), to complete the street edges of the property, is a possible consideration. These units would have to be demolished to fulfill the complete development of the parcel. The cost, however, may prove prohibitive in terms of money and community relations. A more prudent move may be to simply lop off the southwest corner in potential plans. Development proposals will need to be presented to the current residents in any case, in order to assess their reaction to a major new "neighbor."

Additional property to enlarge the development is not really an issue, since a large intact parcel is already at hand. The commercial parcel at 623 W. Drummond (Site C on Limits map) is vacant and offered for sale. The old showroom has an asking price of \$450,000 for approximately 7000 square feet of property. The price provides some indication of the property values in the area. It could be utilized as an adjacent parking facility, enabling more room for rental space on the garage site. The Authority should also attempt to stimulate compatible occupation of the vacant corner parcel (Site D on Limits map), to enhance its surroundings.

Office or Retail Shopping Development

An obvious consideration for a site of this size would be for a building providing office and retail facilities. The question at this location is whether there is an appropriate market for office space. On the whole, this sector of the city does not appear to be highly oriented to office-type development. The interest in available office space would need to be accurately assessed before orienting in this direction.

An eight-story building at 2551 N. Clark, apparently recently renovated, advertises available office space with a banner over the sidewalk. A mixed office-retail site also exists at 2500 N. Clark, called the Lincoln Park Market and Space Options. The latter offers 4000 square feet of office space at \$13.20 per square foot. The market investigation should show whether this small amount of office space satisfies the needs of the community.

The Limits site is large enough to permit a mix of uses. Inclusion of some office space in a more retail-oriented development might be a cautious approach. A mini-office park is also a possibility, with a low profile building including an open plaza or green space on the Clark frontage. This style would at least attract attention, in a more positive manner than the garage, amidst the wall of storefronts. All-retail development is also a possibility. The size of the site offers an opportunity to attract larger retailers, as well as provide parking for stores throughout the area.

Residential Complex

The most practical development concept could be a self-contained residential complex. The market demand for living space in this affluent and "in" community appears to be very strong. Two of the newest high-rise apartment buildings attest to this fact. Clark Place at 2625 N. Clark has 18 floors of residential space, all one-bedroom apartments. They are priced at \$650-\$750 per month, depending on height. Rienzi Plaza at 600 W. Diversey has 15 floors of one- and two-bedroom apartments. These are priced at \$665-\$670 per month for one bedroom and upwards from \$840 per month for two bedrooms. Clark Place has no rentals available at this time, while Rienzi Plaza has no two-bedroom and only two one-bedroom apartments available. The new building at 2555 N. Clark further attests to a need not yet fulfilled.

One development concept could call for a five-story apartment complex ringing the perimeter of the site. The exterior would be designed visually compatible with the neighboring buildings, thus blending into the physical infrastructure of the community. The interior would be a courtyard, providing a private park-like atmosphere for the exclusive use of the residents. Apartments could face the streets or the interior courtyard, allowing a price differentiation for the view. Rental rates could be as high or

even higher than the high-rise buildings. In this manner a substantial number of rental units could be established on the site in an aesthetically-pleasing yet profitable manner. The project would be unique in a crowded district devoid of substantial green space.

The center courtyard is the key to the attractiveness of this new development. The interior orientation restricts its use to residents and guests. A private park would respond to aesthetic needs demanded by higher-paying tenants. Sports facilities and an indoor-outdoor swimming pool could also be incorporated into the design. The amenities thus provided should ensure rapid rental and attractive competition to the high-rise apartment concept. Views of the lake can be supplanted by the intimacy offered here.

Present zoning allows residential use but not on the ground floor. This partially explains the retail presence on the lower floors of the high-rises, but some retail space also makes economic sense. Convenient small shops, serving functions similar to those in transit station entrance retail centers, could be provided for the direct use of the complex residents. Zoning changes could likely be attained for the remainder of the complex behind the Clark frontage, with retail use concentrated on the commercial strip.

Such small-scale retail could be supported by the complex residents, in the same manner as ground-floor retail in high-rise developments. In this case, the retail portion would be concentrated on Clark Street, providing an entranceway into the apartments behind it. The front of the present building could be retained, with present CTA offices remodeled into stores and new facilities. The cleaners on the corner is already there, and would require only facade improvements. In particular, a grocery store could probably be supported. With the Clark exposure, this and other stores might be utilized by neighboring residents as well. Careful choices would exclude duplication of similar nearby facilities, such as the Golden Nugget restaurant at 2720 N. Clark and the House Store, providing home furnishing services at 620 W. Schubert.

Parking space on the street is almost non-existent. Clark Place provides a three-story parking garage behind its building. Parking for the new complex could be provided underground on the site. Though the 623 W. Drummond property is available, the cost of purchasing and developing that site must be weighed against the underground installation cost at time of construction and the associated convenience to residents. The underground concept expends no ground footage to parking, allowing maximum utilization of the site.

Image and Revenue Benefits

The reuse of the bus garage site for a residential development provides the CTA with image improvement, an intangible that brings no revenue itself but has other rewards. The removal of the garage would eliminate a presently incompatible land use. Most important, the fact that a new high-rise would not be proposed could be used by the Authority as recognition of the needs of the community beyond the transportation realm.

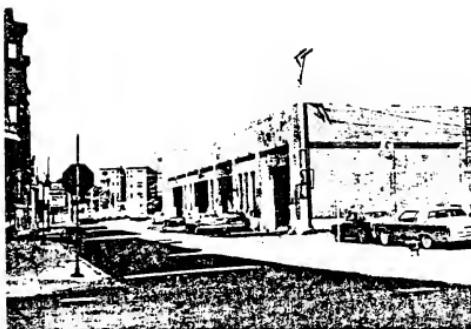
This site is particularly interesting from the value capture standpoint. Joint development on private property normally leaves the developer with the risk while the CTA provides only the transit connection. Here the CTA could participate in a development on its own property, taking some risk but also reaping the rewards through careful planning. CTA offices could be located on the site under almost any alternative. Sufficient apartments in a five-story structure, supported by ancillary retail provisions, could bring substantial revenue to the Authority.



4-1 Clark Street frontage of Limits Garage.



4-2 CTA rental property at 2650-54 N. Clark
(A on map).



4-3 Drummond Street side of garage - on left is
D on map, shorter building beyond is 623 W.
Drummond (C on map).



4-4 Private residences behind garage at 638-40 W. Drummond (B on map).

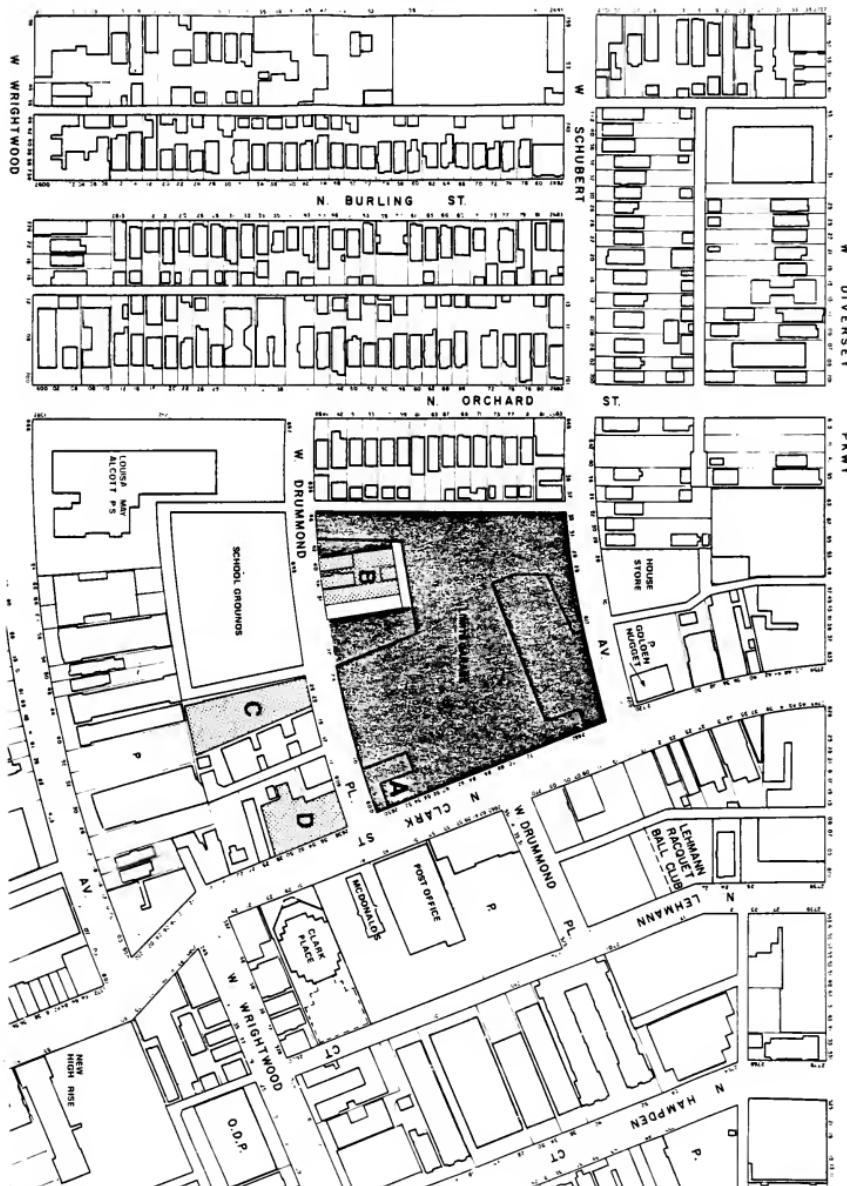


4-5 Shubert Street side of Limits Garage.



4-6 Schubert Street side of garage behind Clark Street frontage - high rise in upper right is Clark Place, 2625 N. Clark.

LIMITS GARAGE AREA



5. Cumberland Avenue

The Cumberland station site is entirely different from those on the elevated system in the older sections of the city. The O'Hare extension is the newest portion of the system, with the route running in the center of the Kennedy Expressway. The lanes of the highway create a barrier between the station itself and any privately-owned developable property nearby. (See photos 5-1 and 5-2) The station area is comprised of a high-density office complex, with little vacant area except, of course, major surface parking lots.

The office sector is bordered by Bryn Mawr Avenue on the south, East River Road on the west, Higgins Road on the north, and Cumberland Avenue on the east. It is bisected into north and south sections by the expressway. There are 21 office towers within these borders (one is east of Cumberland), with only four more than 15 years old. This office space serves the O'Hare Airport market, with corporate offices in a convenient location which has been augmented by the transit line extension. The only exception to office building and parking use are the bus turnaround area on the south side of the expressway, and the Marriott Hotel on the north side.

North of Higgins Road are the single family homes of Park Ridge, a middle-class residential area in good and settled condition. A large suburban-style shopping center is located on the northwest corner of Cumberland and Higgins. South of Bryn Mawr is a high-density residential area, with structures ranging from three-story apartment buildings to multi-story apartment towers. Overall, this is a good area, showing no visible signs of urban decay, physically or socioeconomically.

CTA Real Estate

The Authority owns no property outright around this station. Ownership of the right-of-way and other facilities is an amalgam of public jurisdictions. The State of Illinois owns the expressway, while the City of Chicago has control over land use in the median and inside the access ramps. The Department of Public Works constructed the railway, bus terminal and parking garage, and in turn the city has granted the CTA operating rights on these properties.

Pedestrian walkways provide access, over the lanes of the expressway, to the nearby office complexes. (See photos 5-5 and 5-6) The walkways end abruptly, leaving the pedestrians to traverse the parking lots to get to their offices. Direct access is provided to and from the bus transfer facility, served by CTA and PACE routes, and Greyhound bus service. East of the bus terminal, a kiss-and-ride facility and a two-story parking lot are provided. ~~Transit-related development~~ is concentrated on the south side, directly west of Cumberland Avenue, within a triangular area inside the exit ramp from the eastbound Kennedy to Cumberland Avenue.

CTA Options

The station area is virtually brand new, and attractive in a modern architectural sense, with excellent signage directing passengers to buses and parking. But the available space is grossly underutilized. The potential retail market offered by the presence of a large number of office workers is largely untapped. Only a very small percentage of them currently utilize the O'Hare line for the journey to work. Nevertheless, the ridership that does exist is essentially a captive market, as they pass into and out of the station. Pedestrian transit users are either office workers or local residents from the apartment buildings. In addition, many automobile drivers utilize the park-and-ride garage, and must pass by the bus transfer area on the way to the trains.

Daily spending by office workers, for incidentals and some minor shopping goods, might be captured if commuters are routed through a station retail center. The revenues obtained from the retail shops catering to present riders can be increased further by attracting new riders. Though ridership has steadily increased at Cumberland, new riders may be diverted from their automobiles by attractive facilities which are convenient only for the transit user. The CTA could provide services at the rail-bus site, thus creating an inducement for auto users to ride adjacent public transit. The increased riders, in turn, would further increase retail revenue sharing. CTA's own transit marketing program would create its own captive retail market.

Present Facilities

At present, there is a single, very small concession shop and a travel agency in the rotunda between the overhead walkway and the buses. (See photos 5-3 and 5-4) Convenient service and retail outlets are not available to the riders as they enter or leave the rapid transit system. On the older parts of the system, service and retail shops grew up spontaneously near the transit stations. These stations, elsewhere on the system, are the types of areas which are being studied for potential redevelopment or joint renovation. Not only is this station too new for such stores to have developed privately, but the configuration actually prohibits the classic natural retail development around the station entrance. Public ownership of the property necessitates and encourages the Authority to implement its own plans for retail facilities. The office buildings concentrate on renting office space to tenants. Minimal space is allocated to the few restaurants, card shops and the like within the buildings. Even these are a long way from the station, and offer less than primary competition.

The Authority must apparently work with the City of Chicago on this project. The rights granted by the city for CTA operations appear to leave the Authority with all revenues from concessions and parking. The CTA should develop plans for increasing retail facilities at this site, through implementation of a transit retail center, oriented to serve present and future riders.

The Transit Retail Center

The focus of development would obviously be oriented to the south-side office complexes, at the location of present CTA facilities. The air space above the bus terminal area is wasted, and could be developed into a substantial retail shopping center. (See photo 5-7) A second-floor shopping area could cover the entire bus facility, providing room for a large variety of retail stores. The types of stores should provide services similar to what has naturally occurred near elevated stations through private entrepreneurship. Transit riders are potential customers, and shops catering to their needs occupy the storefronts near the stations in the older parts of the city. Complete services are not always present along a direct, convenient route to the station. That gap would be remedied by new joint developments with CTA impetus.

Union Station and NorthWestern commuter terminals in the Loop provide a model for what could be introduced at Cumberland. The office complex node in this area is an outlying "downtown" in a very real sense, and should cater to the same type of worker. An important opportunity is being missed here, which should be addressed. The potential market could be attracted with promotion by the Authority, apprising the office workers of what the CTA would now be providing in its new center.

More than the standard newsstand and snack counter, as offered here and in many other stations, is needed. Stores should serve needs of riders going to work and going home. For example, a simple coffee shop could become one or more full-service restaurants. A dry cleaners could offer morning drop-off and evening pick-up for worker convenience. A bakery could offer sweet rolls in the morning, and loaves of bread or cakes and pies in the evening. A flower shop should do a brisk business for homeward-bound riders. One-day photo finishing, as offered at many locations in the Loop and at commuter rail stations, would have a market. Some of these shops could even be visited twice in one day by the same patron. The potential for lease and percentage revenue at this station is substantial and completely undeveloped.

The pedestrian walkway should be changed, routing transit riders through the concourse shopping arrangement above the bus terminal. New walkways should be provided from the concourse across the expressway ramp to the Citicorp Plaza parking lot. Little can be done to alter the rather unfortunate situation of dropping the CTA's passengers into a parking lot. (Site A on

Cumberland map) However, a more attractive and visible entranceway could be jointly developed with the adjacent private landowner. (Site B on Cumberland map) (See photo 5-8) A remote entrance would accomplish the dual purpose of advertising the station and providing a long, weather-protected walkway to the retail center and turnstiles. All attempts should be made to attract workers, even in the most distant buildings from the system, and discourage auto use. The best method of accomplishing this is offering a well-planned shopping facility in conjunction with bus and rail service.

In addition, the parking facility should definitely be enlarged. It is usually full, which can discourage park-and-ride users from the rapid transit system. Two more floors, essentially doubling the number of parking spaces, would not be too much. All of these transit riders would also be routed through the new retail concourse enroute to the station. This is essentially a reverse market, going to another destination on the system rather than coming here for the workday. Attraction of available parking for these users brings more business into the center.

Concerns might arise over lighting and ventilation in the bus terminal area, which would now be beneath a structure. But the technology exists to alleviate such concerns, and this should not be allowed to deter shopping development. Concerns about architectural incompatibility can be overcome through thoughtful design plans. The Authority must be able to balance aesthetics with pragmatic revenue concerns, paying attention to the former while concentrating on the latter.

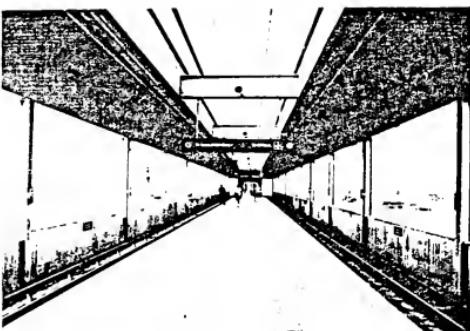
Expanded-Scale Development

Consideration might also be given to an office tower development atop the parking garage. There are already over four million square feet of office space here, but all except the newest buildings show a high occupancy rate. Much of the growth is very recent, with 1.5 million square feet of the total built since 1985. Rental rates average \$16.57 net or \$18.25 gross per square foot. The 13 separate office complexes have an average occupancy above 62%, with seven of them over 90%. A market analysis is warranted to determine if the area has reached the saturation point.

If further office expansion at Cumberland is feasible, a location close to transit might prove to be an attractive and marketable commodity. Even if the market were not ready for additional space, within the planning horizon, for a building developed this year, we feel that a market will be available at some point in the future. This opportunity is indicative of the need to develop long range plans for joint development consideration. Development can occur in stages, with expansion designed to be implemented when the market is there. If the office tower were warranted, for example, a two-story retail center might be desirable.

Another consideration would be creation of an evening-oriented center as part of the transit center shopping development. If the Cumberland office complex can be thought of as an outlying downtown, then evening entertainment could be a part of this development. Recognizable restaurant names could be franchised, enabling dining out before going home via the CTA. Even a theater is a possibility. Such shopping and entertainment facilities can enhance ridership generation at off-peak times, producing further revenue.

These ideas are at the high-cost end of the planning range, but the market is probably there for promotional development. The daytime employment node could become a nighttime entertainment node, similar to the Loop. Office workers would remain here for an evening out, bringing shared revenues to the Authority and the City. Additional riders would be drawn, via rapid transit from elsewhere in the city, to patronize the new facilities.



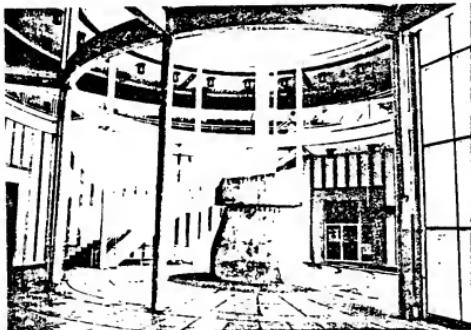
5-1 Cumberland Station platform in expressway median.



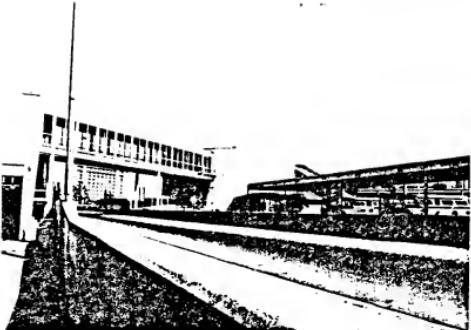
5-2 Kennedy Expressway eastbound - station platform on left, bus terminal and parking garage on right.



5-3 Exterior of rotunda - escalator to overhead walkway from bus terminal and parking garage.



5-4 Inside of rotunda - small concession outlet on left, Greyhound travel service on right.



5-5 Pedestrian walkway above eastbound exit ramp – foot of staircase is A on map.



5-6 Inside of pedestrian walkway – Citicorp Plaza buildings in center.

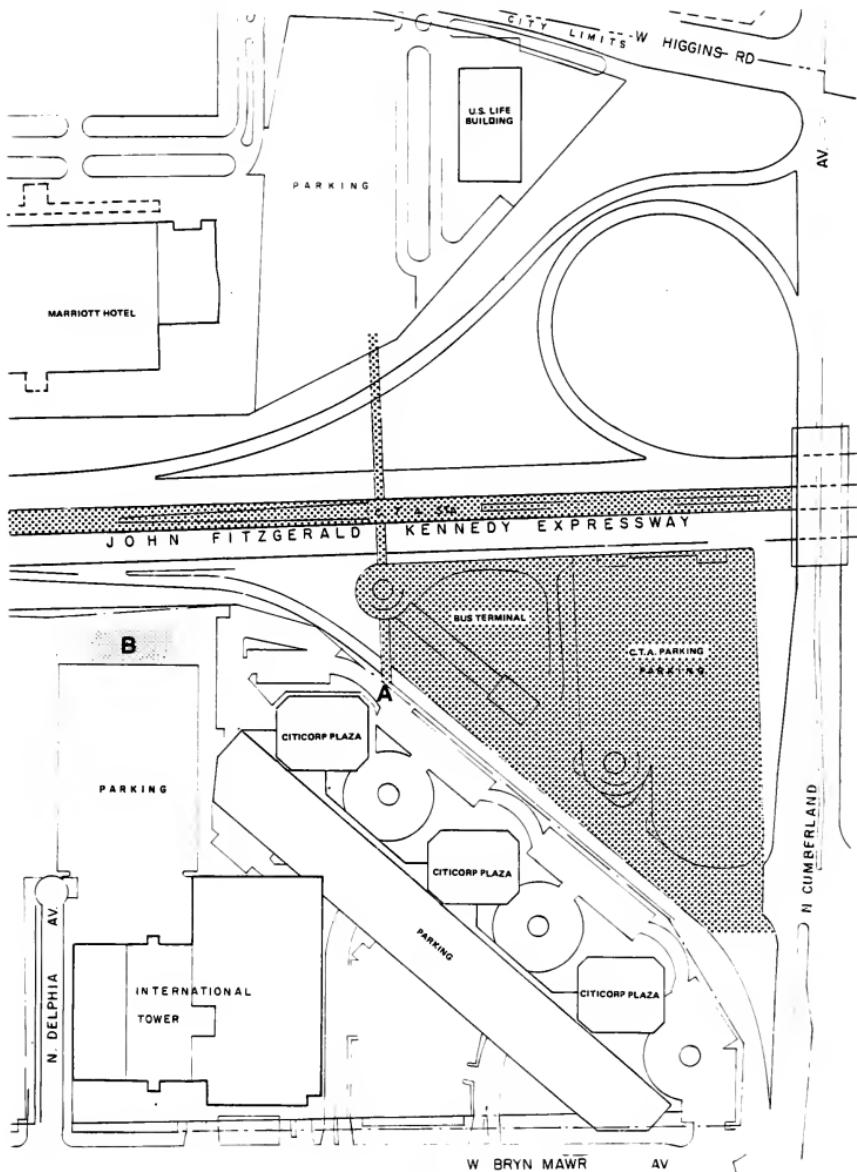


5-7 Bus terminal and parking garage, viewed from rapid transit station entrance.



5-8 Presidential Plaza buildings, distant from station – grassy area in center of photo is B on map.

CUMBERLAND AVENUE STATION AREA



CTA REAL ESTATE USED FOR OPERATIONS
INCLUDES RIGHT-OF-WAY, RAIL YARD FACILITIES
AND BUS TERMINALS OR GARAGES)

OTHER CTA REAL ESTATE (NON-OPERATIONAL)

PRIVATELY-OWNED REAL ESTATE PARCELS REFERENCED IN TEXT

REAL ESTATE CONTROLLED BY CITY OF CHICAGO

RAPID TRANSIT STATION ENTRANCES

6. Damen Avenue

The station at Damen Avenue is located half a block south of the six-corner intersection with North and Milwaukee Avenues, in the community of Wicker Park. (See photos 6-5 and 6-6) The corner itself is solid with retail uses, and very busy. Prominent businesses here include Fairfield Savings at 1601 N. Milwaukee, and an older office tower at 1606 N. Milwaukee, which stands out as a physical landmark. Northwest of the intersection, retail use blends into a light industrial area. Milwaukee Avenue is the dominant street, running diagonally in a continuous commercial strip.

East of Damen, Milwaukee is a row of older three-story buildings with ground-level storefronts and apartments above them. Many of these buildings appear deteriorated, and there is community concern over the economic vitality of the retail sector, as well as the structural integrity of some of the buildings. A number of the storefronts are either vacant or given to marginal retail uses.

The south side of North Avenue is composed largely of vacant buildings east and west of the elevated structure. The southwest corner building at North and Damen appears in relatively good condition, housing a number of small businesses including a currency exchange, cleaners and ice cream shop. (Site G on Damen map) Two floors of apartments are above them. South along Damen are some marginal businesses. The station entrance is in mid-block, on the west side of Damen directly beneath the structure. South of it, the Busy Bee restaurant at 1546 N. Damen is locally well-known, and anchors a reasonably attractive building also housing a produce store, laundromat and tavern.

Across Damen on the east side is a 100 year-old structure with a beauty salon and real estate office. Three floors of apartments are above the shops in this well-kept building. Beside it to the south is a service station filled with junk autos. North of the elevated structure is another tavern, with the upper floors boarded up. The southeast corner of Milwaukee and Damen has a pharmacy and two floors of apartments, again in good shape externally. (Site H on Damen map)

Southwest and southeast of the station are residential areas. West of Damen, along Pierce Street and LeMoynne Avenue, are two and three-story apartments. East of Damen, along Wicker Park Avenue, are more older two- and three-story apartments which continue around the park onto Schiller Street. Most are in fairly good shape, with some undergoing rehabilitation. There are some in excellent condition and of historic value.

There is thus a mix of some well-kept buildings, which house active businesses, juxtaposed with some very marginal buildings, vacant and in poor repair. The diagonal street and elevated structure give rise to some odd-shaped and angular residual parcels

of land which contribute to an often confusing layout. There appears to be a wide range of classes of people here too, of mixed racial and socioeconomic groups. In general, the community seems viable. Some redevelopment is needed in both the retail and residential sectors. There is some vacant land, but most development would be restricted to creative reuse of existing structures.

CTA Real Estate

This section is the last remnant of the old Logan Square route, bridging two newer subway sections enroute to the Kennedy line to O'Hare airport. The right-of-way runs parallel to Milwaukee Avenue, beside the alley to the west. The tracks at this point on the line are on elevated structure. The CTA owns the property beneath the structure, a very narrow strip of land. The station itself is old and a bit rundown. It may be of historic significance, and is currently under study. It is recessed from the street beneath the tracks, sandwiched amidst the retail areas. (See photos 6-1 and 6-2) The only CTA-owned property not in operation is an old building at 2017 W. North, which lies partly beneath the tracks. (Site A on Damen map) (See photo 6-7)

CTA Options

The station itself is in need of upgrading, including painting and preferably modernization. This might be provided to help stimulate the general rehabilitation of the portion of the Damen Avenue commercial strip from North Avenue to Pierce Street. Initial attention should be paid to the Authority's own property at and near the station entrance. The property beneath the tracks behind the station is littered with garbage dumpsters, autos and a few neighborhood scavengers. This does little for CTA's image.

Community cooperation should be sought to spruce up the triangular parcel formed by North, Damen and the elevated structure. This would enhance the attractiveness of the station area on a long-neglected portion of the system. Except for cosmetics, this parcel need not be part of CTA plans, unless the bottom corner nearest to the station could become part of a new station entrance design. The opportunities at Damen include improved station entrances with retail facilities, and utilization of the area beneath the tracks for controlled parking spaces.

New Station Entrances

The building to the south, however, could be rehabilitated through joint CTA and community impetus directed toward the private owner. (Site B on Damen map) (See photo 6-4) Consideration could be given to redeveloping the nearby portion into a new station entrance. The Busy Bee, though not modernized recently, is popular

in the neighborhood and could be incorporated as part of a coffee shop in a new entrance building. This would require removal of apartment tenants on the second floor, but this building would be a prime candidate for redeveloping into a small transit center.

A new station entrance with some service and retail facilities might also be developed beneath the structure to the alley, all on CTA property. This would bring in new revenue and clean it up at the same time. This property, though very narrow, is essentially wasted, as often found beneath the tracks throughout the system. Retail facilities serving the transit rider in an attractive new setting could easily compete with the less attractive surrounding retail area. This project could incorporate the building to the south or the small triangular parcel south of the alley to the north, into a larger retail station entrance development.

The old building at 2017 W. North should be demolished. It is an eyesore and appears not to be structurally sound. A second station entrance with a North Avenue focus could be developed on the site, again with concession revenue for the CTA. New modern entrances at both ends would be visually appealing for the Authority's image, with all increased concessions located on owned real estate. The main difficulty is the positioning of the tower, with the inbound platform not extending to the west past the tower as the tracks cross above the extra parcel. This could be overcome by a new platform extension, which could also include an overhead pedestrian walkway to the outbound platform. (See photo 6-3) In any case, a North Avenue entrance orientation would be a useful adjunct to the hidden station entrance on Damen Avenue.

Present zoning classification is business (B4-2) on the corner and along Milwaukee Avenue. The light industrial sector carries commercial (C1-2) and manufacturing (M1-2) designations. None of these would restrict any of the proposals at this station area.

Parking Development

There is some vacant and some derelict real estate in the vicinity, just off the CTA right-of-way. Strong consideration should be given to parking uses that would serve both the CTA and nearby businesses. The Authority could acquire certain key parcels or jointly develop them with current owners. The only off-street parking space presently in the area lies south of the station alongside the alley west of Damen, with most space reserved for Busy Bee restaurant patrons.

East of Damen, an alley parallels the elevated structure. (See photo 6-10) The vacant area beneath it should be fenced and controlled by the Authority for parking, similar to the proposal at the Belmont Avenue station. The parking could be for transit users only, shared with patrons of the Milwaukee Avenue businesses, or even leased to the businesses exclusively to augment limited street parking. Here again is an underutilized, largely ignored, and easily captured revenue source.

On the south side of North Avenue, west of CTA property, are three vacant buildings. (Site F on Damen map) (See photo 6-8) The building at 2033 W. North is advertised for sale. Some or all of these buildings could be purchased and demolished to provide CTA parking facilities. If the 2017 building cannot be feasibly redeveloped as a station entrance, it could also be used for more CTA parking. The station could then be accessed through a "rear entrance" directly across the alley. Even a parking lot would be a visual improvement to this row of decrepit structures, and provide a useful service as well.

North of North Avenue, more joint parking opportunities are available. The platform extends to this point on the outbound tracks, though on a tiny parcel limited to its present use as an exit-only. But the space beneath the structure, alongside the alley, is again underutilized. (See photo 6-9) It should be included in a parking plan that could be leased to adjacent businesses such as Lewellyn Displays and Marvin Envelope, or to some of the office tenants in the tower building. The parcel at 1626 N. Milwaukee (Site C on Damen map) is vacant, and ready to be added to parking space.

The building at 1619 N. Hoyne (Site D on Damen map) is also for sale. It is an old livery building developed into apartments, and carries a \$240,000 price tag. The Authority and/or other City agencies could encourage a private management company to buy it. In either case, the Authority would then construct a deal offering its space beneath the tracks for auxiliary parking for this building. Bell Lumber at 1652 N. Milwaukee might also be interested in parking space behind its store. The CTA should control whomever is parking under its tracks.

The former right-of-way of the Humboldt Park branch presently functions as a dirt alley. (Site E on Damen map) Though no longer owned by the CTA, it too should be included in controlled parking plans for adjacent businesses. It is not a dedicated alley. The Authority should promote parking development on private land and, along with its limited property, service local businesses and bring in some revenue in the process.

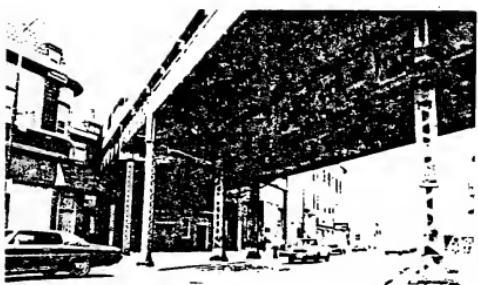
Community Interests

CTA property at Damen may be limited, but much can be done to attract patrons. The rejuvenation of the entire commercial area would include new businesses in vacant property and facade improvements to existing viable businesses. The continued improvement of the residential areas, in both structures and residents, would provide an economic source for increased store patrons and potential transit users. Some of these people would also use Authority parking.

Working with community groups, especially the Greater Milwaukee Avenue Economic Development Corporation, should prove fruitful. The CTA could develop proposals jointly with this private group, as it would elsewhere with the City of Chicago or local community groups. A show of interest by the Authority offers future rewards through mutual promotion possibilities. There is also strong historic preservation interest in Wicker Park, indicating a restoration motivation which could be tapped. All of this indicates the impetus for an improving neighborhood, and the CTA should take immediate steps to be a part of the revival process.



6-1 Damen Avenue station platform, looking northwest.



6-2 Damen Avenue station beneath elevated structure, directly beneath photo 6-1.



6-3 West end of platform, looking southeast – top of CTA building at 2017 W. North visible to right of center (A on map).



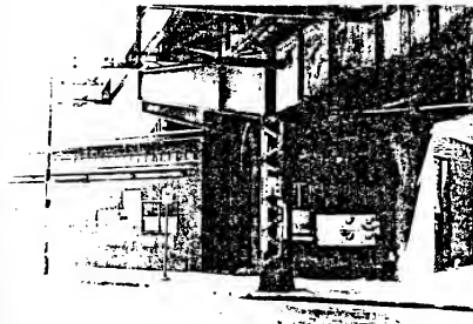
6-4 Building south of station including Busy Bee at 1546 N. Damen (B on map).



6-5 Six corner intersection, looking south toward Damen Avenue station — to the left is H on map, to the right is G on map.



6-6 Damen Avenue, looking north toward Milwaukee and North Avenues — to the left is G on map.



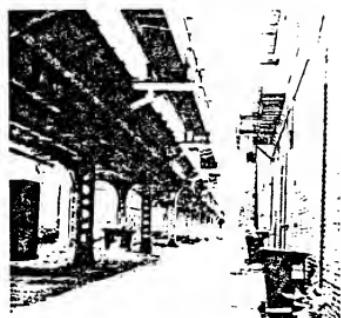
6-7 Front of CTA building at 2017 W. North (A on map).



6-8 North Avenue, looking east - buildings in picture are F on map.

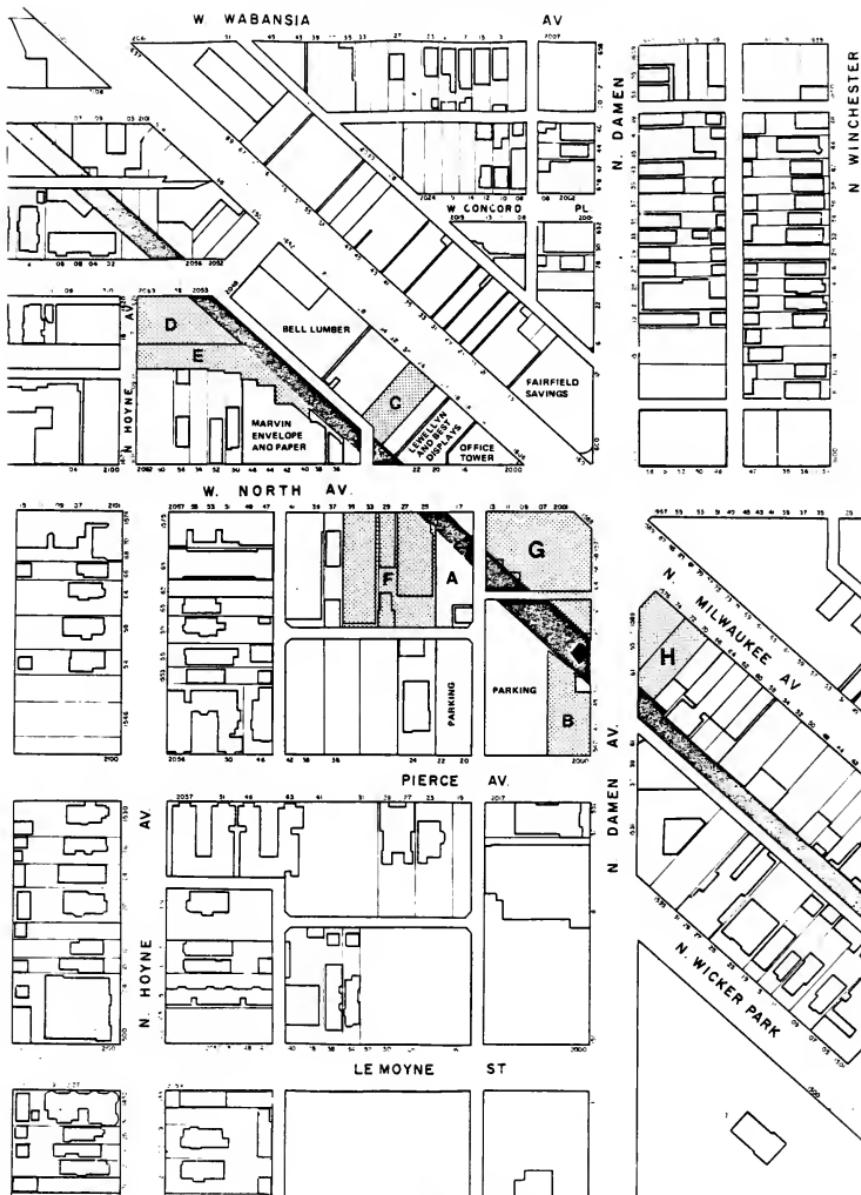


6-9 Beneath structure north of North Avenue, looking south - to the right is E on map.



6-10 Alley east of Damen Avenue, southeast of H on map.

DAMEN AVENUE STATION AREA



CTA REAL ESTATE USED FOR OPERATIONS
 (INCLUDES RIGHT-OF-WAY, RAIL YARD FACILITIES
 AND BUS TERMINALS OR GARAGES)

OTHER CTA REAL ESTATE (NON-OPERATIONAL)

PRIVATELY-OWNED REAL ESTATE PARCELS REFERENCED IN TEXT

REAL ESTATE CONTROLLED BY CITY OF CHICAGO

RAPID TRANSIT STATION ENTRANCES



7. Harlem Avenue

This station is the terminal for the Lake Street route. It is unique among the sites in this study by virtue of its location in a suburb. In fact, there are three suburbs involved here. East of Harlem Avenue is the village of Oak Park. West of Harlem avenue, the Chicago and NorthWestern (C&NW) railroad embankment separates River Forest to the north from Forest Park to the south. River Forest and Oak Park are upper-middle-class communities.

The area around the station is heavily commercial. The main retail focus is the Oak Park Mall, north of the station, which has historically been the downtown business district of the village. (See photo 7-2) This retail area has numerous small shops and only an occasional vacancy. Department stores anchor the mall, with Marshall Field's and Wieboldt's represented, though both are slated to close. Lake Street from Harlem to Forest Avenues, and Marion Avenue from North Boulevard to north of Lake Street, have been closed to automobile traffic to create a pedestrian mall.

Parking is provided at the southwest corner of the mall in the Westgate lot at North Boulevard and Harlem. At the southeast corner of the mall, east of Marion Avenue, is another small parking lot. This is the original commercial frontage of the village, with ground-level storefronts in attractive three-story apartment buildings. The Oak Park station platforms of Metra (C&NW West Line) are opposite, up on the embankment. North Boulevard now runs through the former site of the station building. Across Forest Avenue to the east is Forest Place, a new and substantial block-square residential development.

River Forest is mostly a residential community. West of the Wieboldt's store are a number of high-rise condominiums along Lake Street, though most of the village is single-family homes. Along Central Avenue, beside the embankment, there are a mixture of commercial uses, including warehousing by multiple businesses in the old Bowman building between William and Jackson Streets. The proposed River Forest comprehensive plan calls for increased commercial development in this area.

South of the railroad embankment, in Forest Park, are the CTA yards. Light industrial uses border the yard to the south along Brown and Franklin Avenues. South of this area are mostly residential uses. An apartment complex occupies a large parcel along Circle Avenue. Retail uses exist between Euclid and Harlem south of the CTA station, and south along Harlem Avenue, with a small shopping center recently opening directly across from the Harlem station. (Site H on Harlem map)

An older commercial strip runs east of Harlem along South Boulevard, facing the railroad embankment. This retail sector seems to be secondary and not as attractive as in the mall area, with some storefronts vacant. To the south of this strip the area

is all residential, with single-family homes and small apartment buildings in very good condition. Oak Park has many old buildings, in fact, most generally in good condition.

CTA Real Estate

The Lake Street rapid transit line used to run at street level in Oak Park, directly beside the south side of the embankment. This former right-of-way is now a part of South Boulevard and the village's street system. Today, the tracks are beside the NorthWestern's on the embankment, in a right-of-way leased from the C&NW. (See photo 7-1)

Even the station platform is on leased property. (Site A on Harlem map) There are entrances at either end, west of Marion and west of Harlem. There is no CTA-owned property east of Harlem Avenue. The station on Harlem is the easternmost point of Authority property, comprised primarily of the Harlem Yard. (See photo 7-6) The street trackage continued west of Harlem into this area, which has been retained by the CTA. The yards are nearly 150,000 square feet in size but entirely devoted to storage and maintenance facilities. The station itself is a small building on the northwest corner of Circle and Harlem, with service terminating here.

It is necessary for the CTA to work with the C&NW, the villages and private property owners in any scale of joint development planning. The complete occupation of Authority property by the yard eliminates opportunities for value capture on CTA property as discussed elsewhere.

CTA Options

The Harlem station is very busy, and has become an operational bottleneck. The platform is narrow and the site is essentially landlocked. There are frequent arrivals and departures of trains, but there is no room for additional tracks to facilitate smoother operations. This problem might be reduced by future less-frequent service, after introduction of the Howard-Dan Ryan connection.

The initial focus should be on facilitating access to the platforms and easing pedestrian movement. On a larger scale, opportunities exist for substantial development on two sites north of the rail embankment. The proposed projects would include new CTA parking facilities and station relocation in conjunction with revenue-generating real estate development.

Improvements to Present Station

A second platform should be considered to the south of the inbound track, built above the sidewalk and above Harlem Avenue. (Site E on Harlem map) (See photo 7-7) This new platform could easily be accessed through the present station entrances with minimal design changes. It would greatly alleviate congestion by almost doubling platform capacity. Such a design plan would require permission from both the C&NW Railway and the village, but would certainly be feasible.

Working further with Oak Park planners, an overhead pedestrianway could be built to the south side of South Boulevard. The old commercial frontage on the southwest corner of Marion and South Boulevard (Site F on Harlem map) is rundown but architecturally attractive. (See photo 7-8) This small strip could be jointly redeveloped by the CTA and present owners into a new east-end station entrance and small retail center.

Aside from that, the prospects on the south side are limited. The proposed redevelopment could stimulate the South Boulevard commercial strip, but most of the demand is on the north side of the 100-foot-wide railroad embankment. There is little market demand on the Forest Park side as well. The station building site itself is too small for meaningful conversion. The apartment complex (Site G on Harlem map) and the active industrial sites preclude plans for property adjacent to the yard. The historical orientation of the CTA operations to the less commercially developed south side is a barrier to be overcome.

The Westgate Site

This parking lot for the mall, north of the tracks, (Site D on Harlem map) offers one of two sites where major joint development could be done. (See photo 7-3 and 7-4) It is owned by the village of Oak Park, which appears to be amenable to development options. The zoning is mall business (B4), the most flexible designation available, which allows many possible uses and a structural height up to 125 feet. A 10- to 12-story building on the site would therefore be a real possibility.

Retail use would essentially be ruled out by the proximity of the mall businesses. The market for office space would have to be evaluated. Four buildings on Lake Street contain 220,000 square feet of available office space, with about an 80% occupancy rate. The wisest choice would appear to be a combined multi-story parking and residential facility. Present parking would need to be duplicated within the structure with additional parking to allow space for mall customers, residents and most important for CTA passengers. This provision would attract new riders who presently have no CTA-controlled reserved parking lot.

Residential use on the upper floors appears to have a ready market. Forest Place, at Forest Avenue and North Boulevard, has 234 one- and two-bedroom apartments, with rents ranging from \$705 to \$974 per month. The complex has an 82% occupancy rate, less than a year after opening, which is a very good performance. Joint Oak Park-CTA residential development at Westgate could be very successful, bringing in revenue through shared investment.

Beneath the upper-level residences and lower-level parking facilities, the ground level could become a PACE bus interchange and terminal. Five PACE routes pass the Harlem station, and routed through a transfer terminal, would provide a ready market. This RTA connection would bring suburban bus riders directly into the CTA rapid transit system. Some PACE users probably transfer here already, but more would be attracted by the convenient connecting facilities. As mentioned in the Cumberland study, the technology regarding disposition of lighting and exhaust fumes is available. The off-street bus terminal would provide additional benefit by reducing lengthy bus stops on Harlem Avenue, providing relief to congested automobile traffic near the viaduct.

An important component is direct access to rapid transit service for PACE riders. Air rights granted by the C&NW would be sought to allow a direct overhead pedestrian walkway above the Metra and freight tracks of the railway. Bus passengers would thus avoid the street entirely and be routed directly onto the CTA platform. Direct connection to Metra itself is much less feasible, since the platform is a block away.

With the bus terminal below and the walkway over the tracks, the design might also include service and retail facilities on part of the second floor. These shops would be utilized by PACE and CTA passengers exclusively, and offer no competition to the mall businesses. The Authority would derive revenue through the combination of apartment rentals, retail leases and parking fees.

The Wieboldt's Site

This is the second major potential joint development location in the vicinity of the station, this time in the community of River Forest. The CTA could work with the store owners, who in the past have expressed an interest in a direct connection to CTA services. Present financial conditions of the department store chain may render moot the desire for store-to-transit connection. The Wieboldt's store is rumored to be scheduled for closure. The CTA should be up to date with the situation, and be ready to work with Wieboldt's ownership if the store remains open.

Regardless of those circumstances, the site of the store itself (Site B on Harlem map) is viable, and could be more attractive in a different use. The retail market may be saturated, and the site converted to residential or other mixed use. If the store were to close, alternatives could be discussed with new

owners. The store presently has a two-level parking garage directly behind it. (Site C on Harlem map) (See photo 7-5) Observation of the small number of cars parked there would seem to confirm the lack of a strong market at this site.

Present zoning allows commercial or multi-residential use. As discussed on the Westgate site, the residential market appears to be wide open. An obvious choice here is a second development similar to Westgate, without the bus terminal, of course. The parking lot site could be converted to reserved use for CTA riders and apartment residents. A residential complex could rise above it, to the limit allowed by the village of River Forest. Revenue from rentals and parking would be shared as a result of CTA financial input into the project.

The two portions of the Wieboldt's property could also be combined into a larger residential or mixed-use complex, should the store close. At the other end of the scale, only the parking garage itself could be utilized and enlarged upon simply for a CTA parking lot. The garage parcel is certainly underutilized at this point, and with or without a residential tower would assist the CTA with needed transit parking. In either case, the physical positioning of the west end of the CTA platform provides the opportunity for a second pedestrian walkway over the tracks of the C&NW. This is, again, especially important for the Authority to attract auto users into the system.

Station Relocation

The Authority needs parking, especially at outer stations and terminals, to encourage transit usage. The minimum requirement for the CTA at Harlem in Oak Park is parking space. As just described, the land best suited to the purpose is on the north side of the railroad embankment. The Authority's property in Forest Park is not only fully utilized, but is also inconveniently located. It is hemmed in by industrial areas and railroad right-of-way.

It would make sense to relocate the main Harlem station in the Westgate building development. The parking would be on land oriented toward the main business district, providing a more visible attraction to the system. The overhead walkways would, of course, have to be in place to allow such a location. The present site in Forest Park is away from the focus of activity, and should be relegated to a secondary entrance, or even exit-only if the Marion area redevelopment takes place. The parking garage, main station entrance and bus transfer facility would go well together in an Oak Park Mall orientation.



7-1 Harlem Station platform, looking east (A on map) — C & NW right-of-way and Oak Park Mall on left.

7-2 Oak Park Mall, looking north along Harlem Avenue — Marshall Field's and office building in left background.



7-3 Westgate parking lot (D on map), looking west from Marion Avenue — Wieboldt's in center background (B on map).



7-4 Westgate parking lot, looking east from Harlem Avenue — North Blvd. alongside embankment.



7-5 Wieboldt's parking lot (C on map), looking east along Central Avenue, River Forest — Forest Place high rise in center.



7-6 Harlem Yard, looking west along Circle Avenue, Forest Park — apartment complex on extreme left (G on map).



7-7 South Blvd. along CTA platform (E on map) — present Harlem Station in left background.



7-8 South Blvd. commercial strip (F on map), looking west from Marion Avenue.

HARLEM AVENUE STATION AREA



CTA REAL ESTATE USED FOR OPERATIONS
INCLUDES RIGHT-OF-WAY, RAIL YARD FACILITIES
AND BUS TERMINALS OR GARAGES!

OTHER CTA REAL ESTATE (NON-OPERATIONAL)

PRIVATELY OWNED REAL ESTATE PARCELS REFERENCED IN TEXT

REAL ESTATE CONTROLLED BY VILLAGE OF OAK PARK

RAPID TRANSIT STATION ENTRANCES

8. Dorchester Avenue

The Jackson Park branch of the North-South route runs on elevated structure above 63rd Street. The line formerly terminated at Stony Island Avenue three blocks east. Due to the failure of the bridge over the Illinois Central Gulf (ICG) tracks, trains now stop at University Avenue about a mile west. The CTA is planning a new terminus at Dorchester Avenue, just west of the bridge.

The 63rd Street commercial strip is a major shopping area for the Woodlawn community. It runs almost continuously along both sides of 63rd Street. This once-thriving retail area has seen its heyday, and today the eastern portion especially is very rundown, with many of the storefronts vacant. The retail structures stop completely at Kenwood Avenue, one block west of Dorchester. Behind the retail strip are older, four-story apartment buildings, most in poor condition, and many vacant lots.

The Apostolic Church of God is east of Kenwood, on the south side of 63rd Street. It is a church which is apparently actively involved with the affairs of the community. The church owns the parking lot directly east of it, and also the weed-grown parking lot north of 63rd. Residential uses lie to the north and south.

East of Dorchester, the ICG railroad embankment cuts through diagonally. On the west side of it, north of 63rd, is a small vacant parcel, directly south of a city fire station on 62nd Place. South of 63rd, between Dorchester and the embankment, is a decrepit multi-story building, which has been vacant for many years. This building formerly housed the corporate offices of the Illinois Central Railroad, as well as the former IC mainline station. A commuter platform is still in use here.

East of the embankment, a new commercial building housing a few retail stores occupies the north-side block between Blackstone and Harper Avenues. It is flanked by vacant land. To the north are newer high- and low-rise housing developments. To the south, the entire area from the embankment to Stony Island Avenue between 63rd and 64th Streets is vacant land. The only exception is St. Clara Cyril Church at 64th and Blackstone.

The map portrays the vacant parcels and lack of structures in this sector of the city. This area is depressed economically, one of the poorest sections of the city. The Woodlawn Organization has been trying for many years, with mixed success, to stimulate development and upgrade housing.

CTA Real Estate

This is the oldest route on the system, constructed in time for the World Columbian Exposition of 1893. The elevated structure which runs above 63rd Street is operated by easement rights granted by the City of Chicago. The only real estate the Authority owns

here is a 28,000 square foot parcel on the southwest corner of Stony Island and 63rd. (Site D on Dorchester map) Though trains presently stop at University, the structure is still extant to the now-abandoned Jackson Park station. There was formerly a station at Dorchester as well, which was closed in 1973 due to low ridership.

CTA Options

The Jackson Park station was heavily used before shutdown, with subsequent loss of some passengers to other modes, and the rest utilizing the bus system. The chief operational interest for the CTA is in encouraging riders on the overcrowded bus routes to use the rapid transit system. This will provide a better utilization of trains currently operated, and a presumably more cost-efficient and attractive method of transporting south-side transit users to the downtown Chicago business district. Coordination might also be provided with the RTA, with transfers to and from the 63rd Street Metra station.

The existing circumstances should be reviewed, including an analysis of the socioeconomic situation of the community and the City of Chicago's plans for station implementation. The CTA could consider introduction of rider-oriented retail facilities in the design. Larger-scale opportunities could also be investigated, which might be contemplated for development subsequent to the opening of the new station.

The Present Situation

Attempts are being made at community revitalization. There are newer townhomes west of Stony Island Avenue near 61st and 62nd Streets. The City of Chicago Planning Department will contribute HUD funds to the Woodlawn Community Development Corporation for another 72 rental townhomes at 60th Street. The City Housing Department also has redevelopment project areas designated. (see map) Many of the vacant parcels, in fact, are now under the control of the City in one manner or another.

There are also plans for a \$9.5 million YMCA building and facilities development at 63rd and Stony Island. This 91,000 square foot project would incorporate the CTA property as part of a land swap. The Authority would receive a new bus turnaround and transfer facility as part of this arrangement. (See photos 8-3 and 8-5)

Zoning in the area is a mixture of residential and business classifications. Along 63rd Street, west of the ICG tracks, the B4-3 class allows a 3.0 FAR. East of the tracks, the B4-4 class allows a 5.0 FAR. Most plans proposed in this study would fit even present classifications, though the massive redevelopment undertakings should allow for easy zoning redesignations. The

residential R5 and R6 allow three- to four-story structures, again easily alterable for new projects which might be proposed in the overall plan.

The new Dorchester Avenue station will be positioned on a vacant site which is rarely found near the CTA system. (See photos 8-1 and 8-2) Many possibilities therefore exist as far as planning is concerned, with virtually a clean slate provided for the Authority. The Department of Public Works will plan and implement the new CTA interchange. It is incumbent upon the Authority at this point in the planning stage to monitor this work. Not only are operational needs necessary for consideration, but also identification of ancillary joint development opportunities, proposed and promoted by the CTA.

At this site, there is a premier opportunity to work with the City of Chicago departments and "test the waters" for future cooperative ventures. There might also be opportunities to work with private owners, but most development will occur either directly on city-controlled properties or on real estate under the umbrella of a city-sponsored redevelopment.

Site Plans and Retail Services

Plans for the new CTA station, bus turnaround, kiss-and-ride and parking areas are already underway. No construction has started, which may afford the CTA some time for joint development input to create additional revenue sources. An important potential revenue generator is being overlooked in these plans. Service and retail facilities could be developed to serve transferring passengers.

On the west side of the embankment, the Department of Public Works will purchase and demolish the old IC office building. Parking and kiss-and-ride will be developed here, (Site B on Dorchester map) adjacent to the future station. Bus terminal passengers will walk beneath the viaduct on the old subway arcade to access the station at this location. A transit retail center could be part of the west-side portion, on a second floor above the drop-off area. Riders would be able to utilize these shops as they proceed directly into an upper-level entrance to the rapid transit terminal. This proposal is similar to suggestions at other sites. Convenient retail facilities would benefit both the riders and the CTA-City of Chicago joint-venture partners through shared revenues.

An additional entrance and small convenience-retail site is available on the northeast corner of 63rd and Dorchester. (Site A on Dorchester map) This site is also under city control, and could include more services utilized by daily riders. It is especially attractive as an adjunct to a west-side oriented retail center. The usual concessions at transit station sites are the very least that should be included.

The bus turnaround is planned for a 116,000 square foot site abutting the east side of the railroad embankment. (Site C on Dorchester map) Blackstone and Harper Avenues, and 63rd Place, will be vacated. Buses will enter the transfer area via a driveway on Blackstone off of 63rd. This plan is a considerable improvement over present transferring done on the street, providing a more convenient concentration onto one site.

An even larger shopping center could also be developed above the bus terminal. A mere ground-level bus terminal could become a two- or three-level commercial center offering retail stores for transit passengers and the neighboring community. The revenues from store leases would solely benefit the public sector, and offer a unique opportunity for image enhancement as well. This east-side retail center would require an analysis of the future market.

A second level pedestrian walkway should be constructed above the ICG tracks. This a more attractive alternative than the dreary transfer route beneath the viaduct. Riders would thus be routed through retail services, even if only the west-side retail center development occurs. Access would also be conveniently provided for Metra users of the underutilized and decidedly unattractive 63rd Street station. (See photo 8-6)

This Metra connection is apparently not included in any DPW designs. Joint RTA funding could be brought into the picture which, with Metra cooperation, would improve the commuter facilities and enable system interchange. The CTA could promote, for example, transfer for inbound commuters heading for non-CBD destinations onto their bus or rapid transit lines. The convenient interchange could conceivably bring entirely new riders onto mass transit.

Off-Site Development Opportunities

Joint development plans might be proposed on sites adjacent to those just discussed. Depending upon the definitive rebuilding of the Woodlawn community, both physically and economically, there may be a market for residential or even office space. Residential development, oriented toward a higher-income market, could complement the low- and moderate-income housing presently being built for the poorer residents. Office development could additionally depend on the image of this community, and whether a new node of business activity might find a market.

Unless planned for inclusion into the YMCA facility, the area just east of the bus terminal could become a residential complex. (Site I on Dorchester map) Direct connection through an overhead walkway would provide access to bus, rapid transit and commuter rail. Residents would also provide a market for the proposed shopping center.

Another potential residential-complex site is possible northwest of the future station. The city controls some property on Dorchester. (Site E on Dorchester map) A complex could be built here, again with direct access to the station through the small retail center south of the fire station (Site A on Dorchester map). Such a development could be enlarged if the portion of the church parking lot were acquired or jointly developed. (Site F on Dorchester map)

North of 63rd, additional commercial facilities could be developed on now vacant land. (Site H on Dorchester map). This site is a logical extension of the new short retail strip to the east (Site G on Dorchester map) (See photo 8-4), which the CTA could again promote as easily transit-accessible. This location might also be conceived as a mixed-use development, incorporating office and retail uses in a multi-story structure as a landmark beginning to economic recovery. Air-rights development above the tracks offers an extension of this concept, though at a much larger cost. A private developer could be brought in to provide assistance in financing. Such a project depends greatly on the non-CBD business-node concept. Direct transit access from many parts of the city could obviously be promoted.

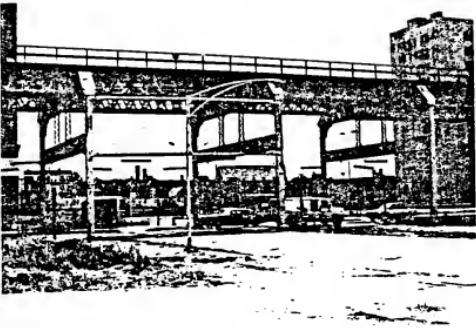
Parking is an important consideration. Though exclusive transit use is most desirable, non-transit automobile users might also be attracted to this new station and related land developments. Present plans include limited parking facilities. Inbound users of Stony Island Avenue and South Shore Drive might be enticed onto the system. Substantial parking could be developed beneath potential commercial or residential structures, especially to the east of the railroad embankment, (Sites H and I on Dorchester map) similar to proposals at Harlem Avenue in Oak Park. Dorchester would be a terminal rapid transit station, an obvious location to orient highway users.

Community Interests

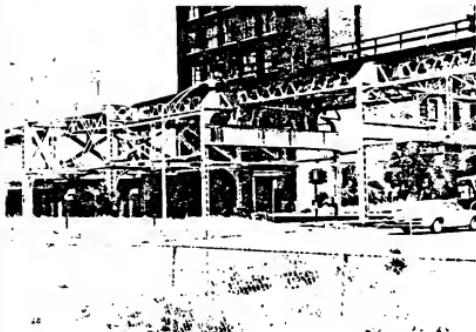
This area, more than any of the other case studies, offers a number of possibilities owing to land availability. The important question mark is economic recovery of this once-vital part of the city. It will require a considerable role for civic-minded developers, perhaps attracted by public sharing in development financing. None of the sites separate from the transit facilities can reasonably be funded by the Authority alone, but a combination of development grants and private financing could bring such projects to fruition.

The proximity of the University of Chicago should not be ignored either. It is only three blocks to the north, and new transit-accessible residential developments might be attractive to university personnel. Neighborhood conditions between 60th and 63rd would of course need to be addressed, but the intellectual enclave could be part of the overall picture of socioeconomic rehabilitation.

The CTA could share in all revenues from any projects, both large and small scale. Ridership can also be generated, bringing new revenue through the farebox. Established travel patterns through this area are already present, and only need to be tapped through promotional marketing of new and attractive facilities. Working with the City of Chicago and the Woodlawn Organization, the Authority can assist in rebuilding a dying sector of the city. Significant new revenues and substantial public relations results could be achieved.



8-1 Future location of Dorchester Station, looking south – vacant property in foreground is A on map.



8-2 Dorchester Station site, looking southeast – building is future kiss-and-ride site (B on map), fence surrounds church parking (F on map).



8-3 Looking west from Stony Island Avenue – foreground parcel is D on map, future bus terminal in distant trees (C on map).



8-4 Abandoned elevated structure above 63rd Street – east of ICG tracks – commercial area in center is G on map.

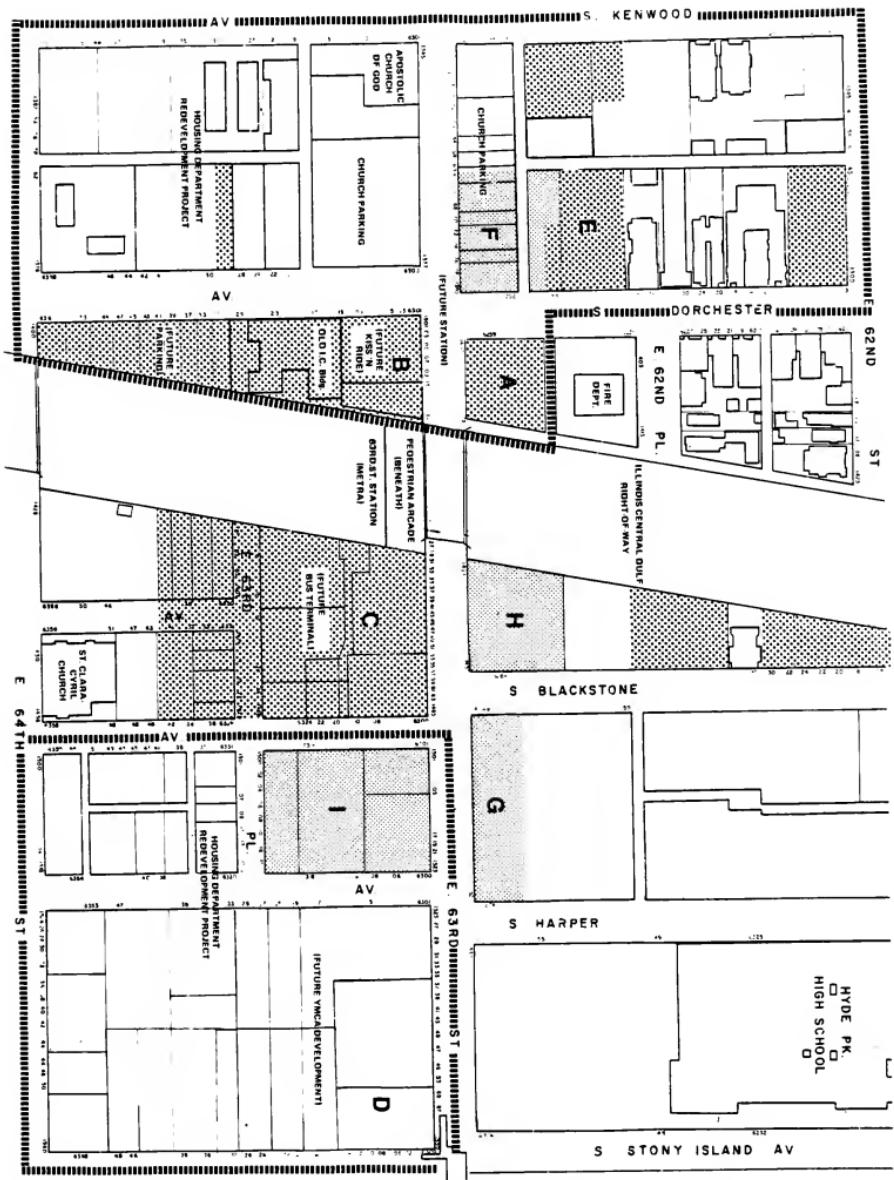
8-5 Looking east toward Stony Island Avenue from ICG tracks – foreground is future bus terminal (C on map), light area in center is I on map.



8-6 ICG (Metra) platforms at 63rd Street, looking north – building on left is B on map, abandoned CTA bridge in background.



DOBCHESTER AVENUE STATION AREA



**[] CTA REAL ESTATE USED FOR OPERATIONS
(INCLUDES RIGHT OF-WAY, RAIL YARD FACILITIES
AND BUS TERMINALS OR GARAGES)**

OTHER CTA REAL ESTATE (NON-OPERATIONAL)

PRIVately-owned real estate parcels referenced in text

REAL ESTATE CONTROLLED BY CITY OF CHICAGO

RAPID TRANSIT STATION ENTRANCES

A black arrow pointing upwards, indicating the direction of North.

DEVELOPMENT OPPORTUNITIES FOR THE CTA

Prerequisites for Joint Development

Realistic potentials exist for the CTA to make its facilities more attractive to riders, obtain private contributions to improvements of station facilities, and increase non-transit revenue through cooperative agreements. As prerequisites, however, the CTA must consider the following five factors for each development site.

1. The Authority must be able to bring a solid and workable proposal to the table. This means that the CTA should have positive ideas about what it wishes to see developed at each site. The CTA must also have reasonably clear ideas of what it is willing to offer to obtain what it wants.
2. A development method must be in place to implement CTA and developer plans. The CTA must be in a position to evaluate proposals for engineering, economic, and financial feasibility.
3. The Authority must have internal coordination. The potential for competition in planning and development among Strategic Planning, Operations Planning and the Real Estate and Law departments could be reduced. Joint development aspirations should be made integral with other CTA goals.
4. The City of Chicago (or other municipality in which a station is located) should be an important part of joint development planning. The Departments of Planning, Housing, and Economic Development, for example, have designated sectors with specific classifications such as Commercial Development District, Slum and Blighted Area, and other redevelopment projects, which provide focused city attention on development in these areas. The Urban Renewal and Housing Departments have lists of public parcels that may be acquired or utilized jointly with CTA parcels which may be contiguous. The desires of the city and the transit agency should be developed in a coordinated fashion. The City should be advised of all CTA plans for development, with their input sought toward further project enhancement. Similar coordination must also be achieved with host municipalities at suburban station sites.
5. Possible constraints of the Regional Transportation Authority (RTA) or the Urban Mass Transportation Administration (UMTA) must be fully understood. UMTA funding requests must be confined to "transportation-related purposes." The present configuration under the RTA umbrella apparently does not prohibit issuance of bonds for development. Fee simple property may be leased or jointly

developed through CTA initiative, as long as RTA funding is not requested. Further expansion of joint development planning onto property operated under "rights" should also be pursued.

What CTA Can Bring to a Development Project

Joint development should be viewed by CTA management as a significant element in the CTA strategic plan. As federal revenue sources shrink, the CTA must find alternate means of producing revenue. As with any corporation faced with changing markets for its products, the CTA must find new ways of using its assets. The operating question for CTA managers is, how can we do more with what we have?

One asset which the CTA has tended to ignore is that of real estate. Revenue can be produced from real estate by selling, improving, developing, leasing, financing, or controlling it. The CTA real estate, as noted previously, tends to be long and narrow, and by itself, not of much development value. But the CTA has other strengths as a property owner which give it a much stronger position in the real estate market.

The CTA has a capital budget with which it can improve its real estate. This is important, since many owners of real estate tend to be "land rich and cash poor." The CTA does not need to obtain a loan from a bank to significantly improve its property. The CTA is financially much stronger than many of the owners of neighboring parcels, and should pursue investment in development on its own parcels if justified by the potential return. The CTA cannot legally default, and this financial strength is important to lenders and developers alike.

The CTA has the ability to marshall substantial support from other public agencies, such as the City Departments of Streets and Sanitation, Public Works, and Water, to accomplish needed work. This ability is of no small value. It is frequently very difficult for a private property owner to obtain the necessary assistance from these agencies to get an alley vacated, a sewer rebuilt, a curb replaced, or a vacant lot cleared.

CTA parcels are often strategically located within a community. Even though a community may have only small potential for development, the CTA parcels are frequently among the more strategically located in the area. This means that actions by the CTA can have impacts out of proportion to the area of land owned. In this way, the CTA may be able to dominate the development process to its advantage.

Role of the Authority

The CTA can take a passive or an active role in development, depending upon conditions at each potential project. The active role involves the CTA as an equity partner, landlord, lender, or a land assembler. The passive role involves CTA approval of plans by others, with some coordination of CTA facilities plans with developer plans. The passive role is the one most often used by CTA to date. It is the active role which offers the greatest possibilities for revenue increases.

The CTA role may switch from being passive to active, or from active to passive, depending upon the progress on a development idea. It is important to keep in mind that real estate development does not take place in a free market environment. Projects start, stop, and fail to start for many reasons which have nothing to do with what real estate analysts call market potential.

The passive role for the CTA generally provides that the CTA concentrate on activities on its own parcels, such as leasing space within stations to retailers, and on some level of coordination of station entry and access with developers of adjacent parcels. Improvements to existing retail areas at stations could be considered as this type of passive strategy. Within the case studies described above, we have generally included at least one development scenario which could be considered passive, in the sense that the recommended actions do not require coordination with any other party.

Market: Developers and Demand

This aspect concerns what will retain present riders and attract new ones, and what will make money for the agency outside the farebox. Joint development projects must be realistically feasible. An analysis of the existing markets would determine the demand for alternative development projects, and consequently the most pragmatic use of the area immediate to the station. Projections of increased ridership and potential return on the development investment should also be obtained.

Location and timing are most important. The type of development will partly depend on the neighborhood's current land-use pattern, and also on the existing ridership at the particular station. Retail use appears to be foremost in attracting customers as riders and vice-versa. Leased space in many present stations has already shown that to be true. Expansion of retail facilities within the market range would thus seem appropriate. Office space could also be a ridership and lease-revenue generator that is largely untested in Chicago. Residential uses might also be productive on property contiguous to the station. Any of these uses will depend primarily on the scale of the development and the transit connections which are included. The need for a real estate

market analysis will depend on the type and intensity of the planned development. Study of projects in other cities could be adapted to CTA and Chicago circumstances.

The CTA already leases retail space in stations, but joint development planning should center on the efficient use of all existing space. This would include not only station areas but also rights-of-way, especially beneath the elevated structure, and any contiguous property owned by the CTA. Most important is the recovery of transit capital costs through value captured in the implementation of the joint development. A cost/benefit analysis will prove quite useful. The CTA should know how much cash they need to invest, and who will pay subsequent operating and maintenance costs.

Potential developers must be convinced of a return on their investment, and their ability to amortize capital costs over time. It would be desirable for the CTA to have done the preliminary analyses and be able to present a package to the private developers. The package could include initial market studies and projections, implementation arrangements, and long-term lease possibilities.

The CTA, in its likely role as facilitator, should develop an attractive and complete project-design package, which would induce the private sector to invest in joint development. There might be a negative connotation of the notion of value capture from the developers' perspective. Specific policies and procedures should be in place, defining the respective roles of the public and private sectors. A lease which brings the maximum revenue to the CTA must also provide a large return to the private developers. Strict guidelines should be followed to calm the fears of the private sector, and show that joint development is, in fact, a sharing of revenue. Both parties will share in the risks and benefits. This would be particularly important to potential lenders who might finance the private portion of any development.

Leasing Arrangements

The most important factor in attracting private-sector lessees is making the property accessible to the station area. Pedestrian connections are a key element. Any development should produce a flow of riders that would utilize the services provided, whether parking, retail or office space. Creative leasing should include private contributions toward providing convenient pedestrian walkways. Attractive connections to and from transit could be mutually beneficial, and should be actively promoted as an integral part of any proposed project.

From the CTA's point of view, the station areas with excess land have the highest potential. Long-term leasing of land parcels contiguous to station sites should be offered to developers. An important consideration for potential developers is a captured

market of transit users who will also utilize the private-sector facilities. This would require creative planning and designs incorporating the needs of both parties.

The CTA should be aware of its legal limitations to creating and implementing ideas and participating in public-private deals. Specifically, they need to know what control they may have on land use outside the boundaries of their ownership. The CTA could implement short-term leasing on a small scale by themselves, but longer-term and larger-scale projects might require the cooperation of city agencies. Powers of eminent domain, for example, could facilitate land assembly for larger developments or provide integral pieces of the land puzzle.

The CTA's current leases should be closely scrutinized regarding the structure and length of the lease, including who now holds the lease and who pays for maintenance of any improvements to the property. An accurate assessment would show the applicability of existing practices to future leasing arrangements. New and innovative practices might be in order. Leases should take into account increases in land value, which should then be reflected in lease revenue, thus maximizing value capture. Judicious use of available property requires that it be put to its highest and best use, with land value an indicator of potential use and consequent revenue value.

Necessary Expertise

The CTA must have the expertise to propose and implement project designs and market analyses. The Authority should identify opportunities and promote them, along with coordinating the legal structure of the development. With the cooperation of the City of Chicago or other host municipality, tax increment financing or special benefit districts can be proposed to interact with private financing. The expertise and the implementation framework are part of the package designed to attract private investment.

The CTA needs a single mechanism to oversee the effective coordination of joint development planning. This coordination could help to eliminate the jungle of governmental jurisdictions which often exist. This would include the potential developers, the CTA and the various city departments that have a role, as well as local political officials and community leaders. A separate department should handle this task, with a chief negotiator/coordinator empowered with specifically delegated authority. Such a department would provide the developers with "one-stop shopping" at the public sector, reducing their burden of start-up time and costs. The department and its chief negotiator should be knowledgeable and experienced in matters of real estate marketing and transit financing.

Public Relations

The potential public relations benefits from a joint development program should not be ignored. In this aspect of the program, revenue from the developments would not be the primary point of discussion. The CTA would have the opportunity to alter the image it sometimes has, that it is solely an indifferent operator of buses and trains. The Authority could promote itself as a dynamic agency, thereby gaining a new and more positive image.

Working with interested community groups, the CTA could avoid negative alteration of existing neighborhoods. It could accent an interest in patron welfare, and in creating a nice place to live. The ability to work together with neighborhood groups, private developers and the necessary city departments is very important. The CTA, working with the City of Chicago or other host municipality, could demonstrate that it is doing its part to improve the urban environment and the ambient quality of life. The revitalization of older stations would provide a new, modern look, which would state that the CTA is doing something to improve its facilities with the riders in mind. On older systems especially, public perception of the maintenance of necessary service standards is essential to making joint development work.

Examples at other Transit Agencies

The following references are provided to other cities which have already adopted joint development and value capture techniques as part of their transit system policy. Their plans and methods might provide useful information to the CTA, to augment the site-specific suggestions and implementation procedures contained in this report.

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